

House Fiscal Advisory Staff

Governor's FY 2015 Budget at a Glance

January 29, 2014



Submitted to the 2014 House of Representatives

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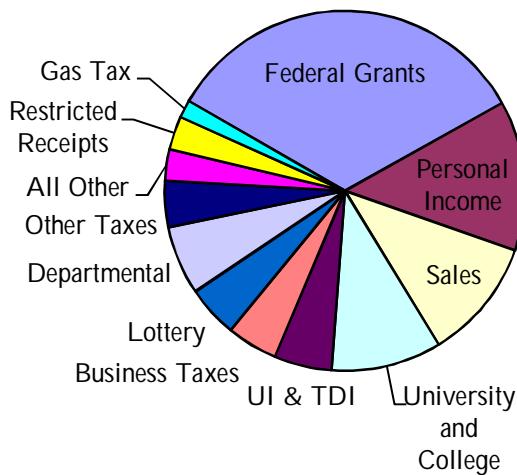
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Governor's FY 2015 Budget at a Glance

On January 15, Governor Chafee released his FY 2015 budget recommendations in a televised address to the General Assembly. Supporting documents and a draft of the legislation were also made available. The official FY 2015 Budget submittal, along with his revisions to the FY 2014 enacted budget are contained in 2014-H 7133, introduced on January 16, 2014.

Sources of Funds



The table below shows the total budget by fund source and how it compares to the budget adopted for FY 2014. General revenue spending would increase by \$96.3 million or 2.9 percent.

FY 2015	General Revenue	Federal	Restricted	Other	All Funds
FY 2014 Enacted	\$ 3,359.8	\$ 2,717.7	\$ 255.0	\$ 1,880.6	\$ 8,213.1
Governor	3,456.1	2,878.4	258.9	1,950.6	8,544.0
Change to Enacted	\$ 96.3	\$ 160.7	\$ 3.9	\$ 70.0	\$ 330.9
Percent Change	2.9%	5.9%	1.5%	3.7%	4.0%

Budget Issues

- **FY 2015 Gap.** House Fiscal Staff estimates that in preparing the FY 2015 budget, the Governor faced a projected revenue-expenditure gap of about \$140 million as of July. By November, that had dropped to roughly \$100 million because of increased resources from the FY 2013 closing, an increased consensus revenue estimate for FY 2014 offset by a projected overspending issue. There was no significant change in the long term projection that the budget gap would grow to over \$400 million by FY 2018. The Governor's budget appears to have resolved a significant majority of this gap with the prior year surplus in addition to other non-recurring items. Reductions to spending in human service agencies also account for a large share of the deficit resolution.

- ***Out-Year Projections.*** The out-years again appear to be significantly unbalanced. The forecast included with the Budget estimates a \$151.1 million gap for FY 2016, equating to 4.4 percent of useable revenues, that grows to \$419.3 million in FY 2019, 11.5 percent of useable revenues. The FY 2016 gap is due to the significant use of one-time items in the resolution of the current budget gap as well as commitment of future expenses not reflected in FY 2015. The estimate also reflects a loss of almost \$37 million from the potential impact of casino gaming in Massachusetts. Those losses account for nearly \$140 million or one third of the FY 2019 gap.
- ***Budget Assumptions.*** His budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass, the budget will be significantly unbalanced.
- ***Supplemental Pension System Contributions.*** The Governor includes legislation removing the requirement that final revenues exceeding budgeted estimates be transferred to the Retirement System to pay down the unfunded liability but it is not retroactive to FY 2013 for which there is a \$0.2 million transfer. This is the second year he has proposed this action; the 2013 Assembly rejected this proposal.

Taxes and Revenues

- ***Use Tax Safe Harbor.*** The Governor's budget includes \$2.2 million in additional sales and use tax revenues from his proposal to establish a safe harbor provision on the state personal income tax return. Filers who purchase taxable items from vendors that do not collect or remit Rhode Island sales tax are responsible for the payment of use tax on those purchases. Personal income tax return forms will include a table to assist filers with the determination of use tax owed based on the filer's Rhode Island adjusted gross income and major purchases. Proper use of this tool will absolve the filer from the requirement to pay any additional taxes owed as well as any penalties.
- ***Hotel Room Resale.*** The Governor's budget proposes legislation that subjects the resale cost of hotel rooms to sales and hotel taxes. Current statute requires resellers collect and remit taxes on the wholesale cost of rooms purchased for resale. The Budget includes \$0.9 million in additional sales and hotel tax revenues.
- ***Other Temporary Lodging.*** The Governor proposes legislation to subject rentals of time share properties and rooms at bed and breakfast inns with at least one bedroom for rent to the sales and hotel taxes. The Budget assumes associated revenues of \$0.5 million in sales and hotel tax revenues.
- ***Automated Sales Suppression Devices.*** The Governor proposes legislation to outlaw the use of technology that enables the understatement of actual sales for sales tax purposes. The Budget includes \$0.8 million in associated revenues.
- ***Revenue Officers.*** The Governor's budget assumes \$7.6 million in additional revenues from filling 10.0 compliance and collection positions in the Division of Taxation.
- ***E-Cigarettes.*** The Governor proposes legislation to define electronic devices that deliver nicotine through a vaporization process, e-cigarettes, as other tobacco products and subjects them to the 80.0 percent of the wholesale cost tax applied to those items. Currently, these products are only subject to state sales tax. The Budget assumes \$750,000 in additional revenues.

- **Table Game Income.** The Governor proposes legislation to limit the statutory 2.0 percent increase in Twin River's share of net table game revenue, triggered by a decrease in video lottery revenues, to a period of four fiscal years. It further provides that the increase would only take effect after the commencement of table gaming in Massachusetts. Current law has the state retaining 18 percent of table game revenues only until an annual decline in slot revenue occurs; at that point its share drops to 16 percent permanently. The proposal additionally applies the requirement that Massachusetts gaming has begun to the revenue arrangement with the Town of Lincoln, whose increased take in the event of a slots downturn is already statutorily limited to four years.
- **State Employee Compliance.** The Governor assumes \$0.4 million of additional revenues from establishing compliance with state income tax laws as a condition of employment for all state employees.
- **Employee Classification Taskforce.** The Governor's budget includes additional revenues of \$1.8 million from the creation of an interdepartmental task force to prevent misclassification of employees by employers. The taskforce will include representatives of the Department of Labor and Training, the Division of Taxation, the Commerce Corporation, the Attorney General, and the State Police.
- **Registration Block.** The Governor's budget includes \$0.5 million in additional revenues from the establishment of an income tax compliance requirement for new vehicle registrations.
- **Hospital Licensing Fee.** The Governor's budget includes \$141.3 million in revenues from extending the hospital licensing fee into FY 2015 using the same two-tiered fee as included in FY 2014. The licensing fee appears annually in the Appropriations Act.
- **Insurance Recovery Fund.** The Revised Budget transfers \$0.9 million from the Insurance Recovery Fund into the state General Fund. The Insurance Recovery Fund receives receipts from insurance companies for claim settlements and had a cash balance of \$2.3 million on June 30, 2013.
- **Bond Premium Proceeds.** The Budget transfers \$3.3 million of bond premium proceeds that were deposited into the Rhode Island Capital Plan Fund in FY 2014 to the General Fund on or before June 30, 2014. The 2013 Assembly appropriated \$7.0 million of proceeds received in FY 2013 for the capitalization of the newly created Municipal Road and Bridge Revolving Fund.

Local Government

- **Distressed Communities Relief Fund.** The Governor recommends the enacted level of \$10.4 million for the Distressed Communities Relief Fund, but with redistribution of funding among communities. Communities' aid distribution is based on updated qualifying tax levies and reflects exclusion of Cranston as a distressed community. Communities falling out of qualification receive half a payment during the transition year.
- **Payment in Lieu of Taxes Program.** The Governor recommends the enacted amount of \$35.1 million for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, exempted from taxation by state law. Reimbursement is statutorily based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The Budget does not reflect

the updated distribution and value of FY 2015 reimbursements have not been determined because of delays in data submission from municipalities.

- ***Motor Vehicles Excise Tax.*** The Budget funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million. The 2010 Assembly enacted legislation mandating a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement.
- ***Library Resource Sharing Aid.*** The Governor recommends \$8.8 million, which is the enacted amount but \$1.0 million or 11.4 percent less than current law requirements. Current law allows 25.0 percent reimbursement of second prior year expenditures.
- ***Library Construction Aid.*** The Governor provides \$2.3 million to fund library construction aid requirements, 6.8 percent less than the enacted level but fully funded. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects.
- ***Property Valuation Reimbursement.*** The Governor recommends \$0.5 million for FY 2014 and \$0.6 million for FY 2015 to reimburse communities conducting property valuation updates.
- ***Airport Impact Aid.*** The Governor provides the enacted level of \$1.0 million for both FY 2014 and FY 2015 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.
- ***Municipal Incentive Aid.*** The Governor includes the enacted amount of \$5.0 million for the second year of a three-year Municipal Incentive Aid program to be distributed, based on population, to municipalities that do not have locally-administered pension plans and those with plans who adhere to certain criteria. Communities with these plans must have submitted approved funding improvement plans if they are required or if they are not required they must be making 100 percent of their annual required contribution.

Education Aid

- ***FY 2015 Formula Education Aid.*** The Governor recommends \$804.5 million for school formula aid for school districts, including Central Falls, the Metropolitan Career and Technical School, Davies Career and Technical School and charter schools pursuant to the funding formula. This is \$34.8 million more than enacted and fully funds current estimates.
- ***Funding Formula Assumptions.*** The Governor funds the fourth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2015 uses June 30, 2013 student enrollment data adjusted for FY 2015 projected charter school enrollments, a per pupil core instruction amount of \$8,966 and state share ratio variables updated with June 30, 2013 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. Aid amounts are subject to final student enrollment data collected in March 2014.

- **Special Education Categorical Funds.** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Governor recommends \$1.5 million for FY 2015. This is \$0.5 million more than enacted and represents a plan to gradually increase funds annually.
- **Early Childhood Categorical Funds.** The education funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Governor recommends \$3.0 million for FY 2015. This is \$1.0 million more than enacted and represents a plan to gradually increase funds annually.
- **Transportation Categorical Funds.** The education funding formula allows for additional resources from the state to districts for transportation costs. The Governor recommends \$4.4 million for FY 2015 for the fourth year of funding, a \$1.1 million increase. The state will provide funding to mitigate the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts. This is projected to be phased in over ten years.
- **Career and Technical Education Categorical Funds.** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Governor recommends \$3.5 million for FY 2015. This is \$0.5 million more than enacted and represents a plan to gradually increase funds annually.
- **School Construction Aid.** The Governor recommends \$67.9 million to fund projected costs of school housing aid to local districts for FY 2015, which is \$0.3 million more than the final FY 2014 entitlement. The final FY 2014 cost is \$67.7 million or \$2.3 million less than enacted.
- **Teacher Retirement.** The Governor recommends \$89.8 million to fund the state's share of the employer contribution for teacher retirement costs for FY 2015. His FY 2014 revised recommendation, included \$80.9 million which is \$0.8 million less than enacted to reflect revised projections.
- **Group Home Aid.** The Governor's budget includes \$6.1 million for group home aid, which is \$0.8 million less than current law requirements based on a proposal from the Department of Elementary and Secondary Education to change the way group home beds affect total funding. The Governor's revised FY 2014 recommendation is consistent with the enacted amount but \$60,000 less than current law requirements based on the December 31 bed count.
- **Textbook Reimbursement.** The Governor recommends eliminating funding for reimbursements allowed under the textbook loan program for FY 2015; the enacted budget includes \$240,000. The state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.
- **School Breakfast.** The Governor eliminates the administrative cost reimbursement to districts for the school breakfast program for which the enacted budget includes \$270,000. Administrative costs would shift to districts; food is paid from federal sources.
- **Vision Services.** The Governor's budget continues the plan to shift expenses for students attending the Rhode Island Vision Services Education Program at the Paul Sherlock Center from the state to local

districts over a three year period for eventual savings to the state of \$745,000; there are savings of \$0.3 million included for FY 2015, which is the second year of the initiative. The program provides teaching and consultation services to children who are blind or visually impaired, their families and educational staff within the school environment.

Economic Development

- **38 Studios Debt Service.** The Budget includes \$12.3 million for debt service relating to 38 Studios as part of the Job Creation Guaranty program. This provides enough funding to replenish the Capital Reserve Fund in order to make a \$12.5 million payment. The enacted budget includes \$2.5 million for the first payment.
- **Volvo Ocean Race.** The Budget includes \$775,000 from general revenues relating to the Volvo Ocean Race that the City of Newport is scheduled to host on May 17, 2015. This is the same amount that the 2012 Assembly provided for hosting the America's Cup World Series in FY 2012; the majority of funds were used for security services.
- **EDC/Commerce Corporation Operations.** The Budget includes \$4.0 million in both FY 2014 and FY 2015 from general revenues to support general operations of the Economic Development Corporation renamed the Commerce Corporation.
- **Executive Office of Commerce.** The 2013 Assembly adopted legislation creating the Executive Office of Commerce to be administered by a secretary of commerce who would also head the Commerce Corporation, formerly the Economic Development Corporation, effective February 1, 2015. The Governor's budget delays this to July 1, 2015. He also proposes to maintain the Office of Regulatory Reform in the Department of Administration instead of transferring it to the new Executive Office.
- **Rhode Island Ready Project.** The Revised Budget delays \$75,000 from FY 2014 to FY 2015 for the Rhode Island Ready Project, an initiative developed by the administration to enhance collaborative efforts between the Commerce Corporation, state agencies such as the Department of Environmental Management, and cities and towns to increase the probability of business attraction, expansion and growth efforts. The project is intended to reduce time and increase the predictability of getting land developed, buildings constructed and operations up and running.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Governor provides the enacted amount of \$1.2 million in FY 2015 for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research.
- **Innovate RI Small Business Program.** The Budget includes the enacted amount of \$0.5 million from general revenues to support the Innovate RI Small Business and the Bioscience and Engineering Internship Programs.
- **Slater Technology Fund.** The Governor recommends \$0.5 million in FY 2015 for the Slater Technology Fund, which is a state-backed venture capital fund that invests in new projects. This reflects a reduction of \$0.5 million from the FY 2014 funding level and assumes the phase-out of state sources by \$0.5 million each year.
- **Affordable Housing.** The Capital Budget includes \$25.0 million of approved general obligation bonds for affordable housing projects and assumes use of \$12.5 million each in FY 2014 and FY

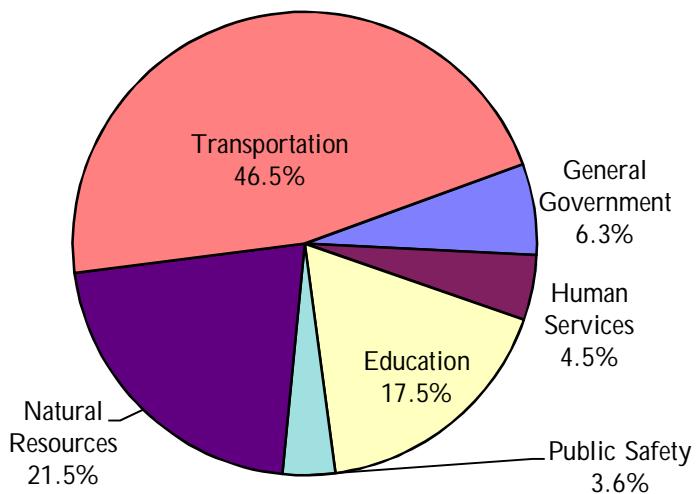
2015. The bond proceeds will be used by the Housing Resources Commission to provide state funds to promote affordable housing through redevelopment of existing structures and new construction.

- **Convention Center Authority.** The Budget includes \$23.0 million from general revenues for the Convention Center Authority to cover debt service requirements.
- **Creative and Cultural Economy Coordinator.** The Budget includes \$75,000 from general revenues to support a Creative and Cultural Economy Coordinator position in the Commerce Corporation.
- **Creative and Cultural Economy Grants.** The Budget includes an additional \$1.0 million for a Creative and Cultural Economy initiative through the State Council on the Arts. Grants will be awarded for art, signage, and cultural interpretation that enhance transportation corridors, gateways and districts. This is a joint program that will involve the Department of Transportation, the Historic Preservation and Heritage Commission, the Commerce Corporation, municipalities and regional convention and visitors' bureaus.
- **Creative and Cultural Economy Bond.** The Budget includes \$35.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot for renovations to public and nonprofit theaters and performance spaces with \$5.0 million of that reserved for qualifying projects in historic sites. Annual debt service payments would be approximately \$2.6 million per year for the 20 year term.
- **Historic Structures Tax Credit.** The Governor proposes the expansion of the Historic Structures Tax Credit program, which was restarted on a limited basis in FY 2013. He includes legislation to authorize an additional \$52.1 million in debt.
- **Historic Tax Credit Trust Fund Debt Service.** The Budgets include \$21.3 million and \$31.7 million from general revenues in FY 2014 and FY 2015, respectively, to fund debt service for historic tax credits. This assumes issuance of \$75.0 million in new bonds in FY 2014 to cover expected credits. As of December 2013, \$6.0 million remained in the Trust Fund from the initial \$150.0 million issuance.
- **I-195 Commission.** The Budget includes \$0.3 million for the I-195 Redevelopment Commission to fund its operations for FY 2015. The Budget includes \$0.5 million in both FY 2014 and FY 2015 for debt service costs of the I-195 land acquisition project.
- **Job Development Programs.** The Governor's budget includes the enacted level of \$1.3 million in FY 2014 and \$1.7 million in FY 2015 from general revenues, which is \$0.4 million more than enacted for the new job development programs and supports provided for in the enacted budget that include the Back to Work Rhode Island program, the work immersion and non-trade apprentice program, extended child care for certain families and a jobs match program.
- **Marketplace Fairness/Corporate Tax.** The Governor proposes legislation to lower the corporate tax rate from 9.0 percent to 6.0 percent upon passage of the federal Marketplace Fairness Act, which permits states to require the collection and remittance of sales tax by remote sellers. This legislation also exempts the sale of electricity and gas to businesses from sales tax. This rescinds the 2011 Assembly action updated in subsequent years that would reduce the sales tax from 7.0 percent to 6.5 percent and increase the local meals and beverage tax from 1.0 percent to 1.5 percent upon the Act's passage.

Capital Budget

- **Outlays and Funding.** The FY 2015 through FY 2019 recommended plan includes \$3,633.3 million of outlays on \$8,473.5 million of project estimates. Average outlays would be \$726.7 million per year for the five-year period with \$473.6 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the plan is based on \$577.9 million of general obligation bond debt issuances, including \$275.0 million from new general obligation bonds to be presented to the voters on the November 2014 ballot. Debt service on these bonds is paid from state general revenues, and once all are issued the annual debt service is estimated to be \$22.8 million.
- **Other Debt Approvals.** The plan also requires \$148.0 million to be approved by the 2014 Assembly under the Public Debt Management Act for information technology, T.F. Green Airport, Virks building restoration at the Pastore Center and construction of parking space and retail areas at the Garrahy Courthouse. The Budget also calls for \$52.1 million in additional debt for new historic tax credits. Those outlays are not in the budget totals; however, the debt service is.
- **Financing.** Paying for the five-year outlays includes \$1,065.6 million from debt financing and \$2,567.7 million from current or pay-go sources. Pay-go represents 70.7 percent with debt funding being 29.3 percent.

FY 2015 - FY 2019 Capital Projects by Function



- **Debt Levels.** Total net tax supported debt increases during the FY 2015 through FY 2019 period by \$23.7 million from \$1,889.9 million to \$1,913.6 million. However, past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would remain unchanged at 3.9 percent of personal income reported for FY 2013 into FY 2014 before dropping gradually back to 2.9 percent in FY 2019 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.

- **Debt Service.** Debt service in the recommended capital budget would increase from 6.4 percent of useable general revenues in FY 2014 to 6.8 percent in FY 2019.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five year period are \$572.8 million. In certain instances the use of funds does not follow past practices, as illustrated in the recommendation for the Department of Corrections to use funding for personnel expenditures.

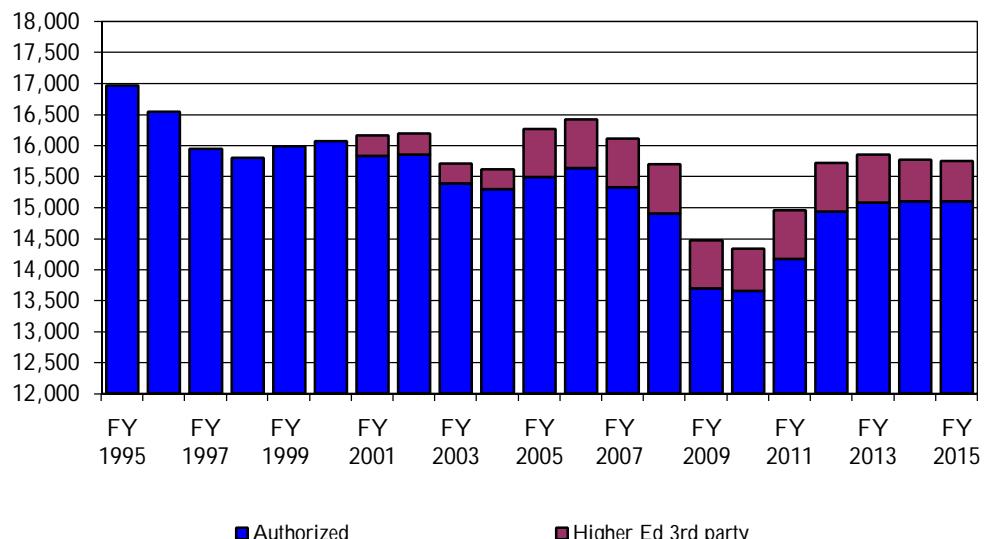
State Government

- **Staffing.** The Governor recommends 15,097.0 full-time equivalent positions, including 642.9 higher education positions supported by research or other third-party funds. The recommendation is 21.3 positions less than enacted, which is substantially less than prior years' recommendations and includes a number of new positions, which are offset by reductions in current vacancies.

Among the changes are an additional 10.0 positions for HealthSource RI, the Health Benefits Exchange, 3.0 for the Office of Diversity, Equity and Opportunity, 3.0 positions for the new job development programs, 7.0 positions to administer the new temporary caregiver insurance program, and 7.0 revenue agents. Major vacancy eliminations include 49.0 from the Department of Human Services and 20.0 from the Department of Transportation.

As of December 28, 2013, there were 13,947.5 positions filled, leaving 963.9 non-research vacancies. In FY 2013, the state averaged 13,664.6 filled positions reflecting an average of 598.3 non-research vacancies.

Full-Time Equivalent Positions



- **Employee Classification Study.** The FY 2014 revised budget adds \$0.5 million from general revenues for a classification and compensation study.
- **Contractor Assessment.** The Budget proposes to repeal the required 5.5 percent assessment on contractual costs to be paid to the retirement system when a department, commission, board, council,

agency or a public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees; this was enacted with pension reform legislation.

- **Reporting Requirements.** Current law requires that state agencies report all privatization contracts in excess of \$100,000 to the Secretary of State on a quarterly basis. The Governor proposes to increase the threshold to \$150,000 and require that the reporting be annually submitted to the Budget Office. He also proposes repealing the legislation that requires all departments to submit quarterly reports of legal and other services to the State Budget Office, and the chairpersons of the House and Senate Finance Committees.
- **State Employees Pay.** The Budget does not include funding for state employee salary increases; most current labor contracts expired on June 30, 2013. It does add \$0.3 million for labor contract negotiations in FY 2014.
- **Direct Deposit.** The Governor includes legislation that requires all state employees who are hired after September 30, 2014 to participate in the direct deposit system for payroll. Employees hired before September 30, 2014 and not currently participating in the direct deposit system must do so by June 30, 2016. The Budgets include \$85,000 for implementation and processing fees.
- **Medical Benefit Savings.** The FY 2014 and FY 2015 budgets include general revenue savings of \$3.3 million and \$3.7 million, respectively, in medical benefit savings resulting from lower claims experience.
- **Directors' Salaries.** The Governor's budget proposes to repeal the requirement that the Department of Administration seek the General Assembly's approval in determining salaries for cabinet directors.
- **State Leases.** The Budget eliminates the requirement that state entities obtain legislative approval before entering into a long-term lease agreement of five years or more, or lease agreements that are more than \$0.5 million.
- **Legal Notices.** The Governor proposes legislation to allow legal notices and advertisements to be posted electronically in lieu of in a newspaper, provided that the intent to do so is advertised where notice or advertisement is currently required to be published for three consecutive weeks.
- **Unemployment Insurance Benefits.** The Governor's budget reduces benefit expenditures paid from both federal funds and the Unemployment Insurance Trust Fund in both FY 2014 and FY 2015 because of the end of the federal emergency unemployment compensation program on December 28, 2013.
- **Unemployment Insurance Loan Repayment.** The Governor's budget includes \$31.1 million in FY 2014 and \$20.5 million in FY 2015 for interest and principal payments on the state's federal unemployment insurance loans. An interest payment of \$5.0 million was made in September 2013.
- **Job Development Fund Assessment.** The Governor includes legislation to authorize the use of revenues from the 0.3 percent surcharge imposed on employers to pay back the state's federal unemployment insurance loans, in excess of the debt, towards a new information technology system instead of solely for benefit payments, as in current law.

- **Temporary Caregiver Insurance.** The Governor's budget includes \$20.7 million and 7.0 new positions from the temporary disability insurance trust fund for benefit payments and administration of the new temporary caregiver insurance program, allowing eligible claimants up to four weeks of benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law or grandparent, or to bond with a newborn child, new adopted child or new foster care child.
- **Police and Fire Relief Fund.** The Governor's budget includes the enacted level of \$4.2 million from general revenues for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and firefighters.
- **Contingency Fund.** The Budget includes the enacted amount of \$250,000 for the Governor's Contingency Fund.
- **Transition Expenses.** The Budget includes a total of \$0.2 million from general revenues for transition expenses for the general officers not seeking reelection. This includes \$0.1 million in the Office of the Governor and \$25,000 each in the Office of the Lieutenant Governor, Secretary of State and Office of the General Treasurer. It does not include transition funding for the Office of the Attorney General.
- **Rhode Island Financial Accounting Network System.** The Budgets include expenditures of \$1.6 million in each year for operational expenditures of the Rhode Island Financial Accounting Network System, which involves installation of a series of modules for each particular service that will form the integrated system.
- **Matching Public Funds for Elections.** The Governor recommends \$2.0 million from general revenues for the Matching Public Funds campaign finance program administered by the Rhode Island Board of Elections for the November 2014 election. Funding is available to candidates for Governor, Lieutenant Governor, Secretary of State, General Treasurer and Attorney General.
- **New Voting Equipment.** The Budget includes \$0.1 million for the Board of Elections to purchase new voting booths to supplement the current supply. The additional booths would be used in communities that have multiple-page ballots that require more time to complete.
- **Lobby Tracker Module.** The Governor recommends \$36,000 over FY 2014 and FY 2015 for the Office of the Secretary of State's new lobby tracker program to monitor all reporting activity of lobbyists, entities, and lobbying firms registered with the state. The program will track all legislation, bills, compensation for lobbyists, expenses, and contributions.
- **Office of Diversity, Equity, and Opportunity.** The Budget reflects the creation of the Office of Diversity, Equity, and Opportunity. Existing staff of 7.0 full-time positions and funding would be transferred from the Division of Purchasing's Minority Business Enterprise Office and the Division of Human Resources' Outreach and Diversity Office. The Governor adds \$0.3 million to fund three new positions.
- **Information Technology Projects.** The Governor proposes issuance of \$30.0 million from Certificates of Participation to finance and invest in information technology projects. Assuming 5.0 percent interest and a 10-year term, the annual debt service would be \$3.9 million.

- **Technology Investment Fund.** The Budgets assume use of \$7.2 million from the Technology Investment Fund. The 2011 Assembly enacted legislation to allow proceeds from land sales to be deposited into the fund for acquiring information technology improvements, including but not limited to hardware, software, and ongoing maintenance. The 2012 Assembly transferred \$9.0 million into the fund.
- **Virks Building Renovation.** The Governor proposes issuance of \$13.0 million from Certificates of Participation to renovate the Virks building in the Pastore Center. The Office of Health and Human Services will occupy the facility once it is renovated. The projected annual debt service would be \$1.3 million over 15 years, half of which would be supported by federal funds.
- **Garrahy Courthouse Parking.** The Governor proposes borrowing up to \$45.0 million for the Garrahy Courthouse parking project, which will include construction of approximately 1,250 parking spaces and 13,800 square feet of retail spaces. Debt service payments would be supported by parking revenues, which may be state subsidized.

Health and Human Services

- **Affordable Care Act - Expanded Medicaid.** The Governor includes \$307.1 million from federal Medicaid funds to provide medical benefits to certain adults beginning January 2014 as authorized by the 2013 Assembly. The benefits are 100 percent federally funded until January 2017, at which time the Medicaid rate will incrementally decrease to 90 percent in January 2020, requiring a 10 percent state match.
- **Managed Care Plans.** The Governor's FY 2015 budget includes state savings of \$10.2 million from a 2.95 percent reduction to the capitated rates projected at the November caseload conference to be paid to Neighborhood Health and UnitedHealth for those enrolled in RIte Care or the Rhody Health Partner programs. His budget includes \$770.7 million, including \$373.7 million from general revenues for both programs. The savings include \$21.7 million less paid to the plans including \$10.8 million less from general revenues, offset by a \$0.4 million revenue loss in health care premium taxes.
- **Katie Beckett Services.** The Governor proposes a monthly cost sharing requirement for a family with a disabled child receiving services through the Katie Beckett option. He includes savings of \$2.9 million, \$1.5 million from general revenues from assuming a \$250 payment if the family has an annual income above 250 percent of poverty, or \$59,625 for a family of four. Currently there is no cost sharing requirement and eligibility will continue to be based on the child's income and disability.
- **Rhody Health Options.** The Governor includes \$330.0 million, including \$163.3 million from general revenues for the state's integrated system to pay for nursing home and acute care services for individuals eligible for Medicare and Medicaid through a managed care plan.
- **Nursing Facilities Payments.** The Governor includes general revenue savings of \$3.3 million from eliminating the October 1, 2014 nursing home rate increase. This includes reduced expenses of \$7.5 million, including \$3.7 million from general revenues offset by a \$0.4 million revenue loss in health care taxes. The FY 2015 budget includes \$167.5 million for total fee-for-service nursing home payments.
- **Estate Recovery.** The Governor includes legislation to allow the state to strengthen its ability to recover assets from its long term care recipients; however, the budget does not include any savings from this initiative.

- **Hospital Rates.** The Governor's FY 2015 budget includes savings of \$7.9 million, including \$3.9 million from general revenues by freezing the inpatient and outpatient rates to the community hospitals for services paid by the state and managed care plans through the state's medical assistance program.
- **Hospital Payments.** The Governor eliminates the \$11.1 million outpatient upper payment limit reimbursement to be made to the community hospitals in FY 2015. The savings include \$5.5 million from general revenues.
- **New Psychiatric Hospital - Pastore Center.** The Governor includes \$41.2 million from Rhode Island Capital Plan funds for a new 93,745 square foot 140 bed psychiatric hospital as part of the Eleanor Slater Hospital system, at the Pastore Center in Cranston to house adult psychiatric patients.
- **OHHS - Payments for Medically Fragile Adolescents.** The Governor's FY 2015 budget transfers expenses for six medically fragile adolescent from the Department of Children, Youth and Families to the Office of Health and Human Services to leverage Medicaid for the currently state only payments. The supporting documentation includes general revenue savings of \$0.5 million; however, his budget inadvertently excludes the funding from the Office's budget.
- **Unified Health Infrastructure Project.** The Governor provides state and federal funding totaling \$36.1 million in FY 2014 and \$39.1 million in FY 2015 to support the Unified Health Infrastructure Project in the Office of Health and Human Services and the Department of Human Services. This project replaces the current eligibility system with an integrated system that also coordinates with the Health Benefits Exchange. The general revenue component is \$8.6 million for FY 2014 and \$10.1 million for FY 2015, \$15.0 million more over the two years than enacted.
- **Extended Family Planning Services.** The Governor includes \$0.4 million, including \$0.2 million from general revenues to provide family planning services to all individuals with incomes at or below 250 percent of poverty; currently the Medicaid program only covers services for females.
- **Services for Adults with Developmental Disabilities.** The Governor includes \$226.0 million in FY 2014 and \$227.8 million in FY 2015 to provide residential and community based support services to approximately 4,200 adults with developmental disabilities in both the state-run and privately operated system. This includes state support of \$110.0 million in FY 2014 and \$111.4 million in FY 2015.
- **Influenza Hospital Surveillance.** The Governor eliminates the Influenza Hospital Surveillance program within the Department of Health that had been funded from a grant that has ended. Although the program was discontinued, the Department still conducts routine surveillance for influenza.
- **Community Health Centers.** The Governor's budget eliminates \$0.7 million paid to the 12 federally qualified community health centers for uncompensated health care expenses. This includes \$0.3 million from general revenues.
- **SNAP Outreach Program.** The Governor's budget excludes the enacted level of \$100,000 from general revenues to support the University of Rhode Island's supplemental nutrition assistance outreach program, which uses these funds to secure a like amount of federal funds.
- **Rhode Island Works Employment Programs.** The Governor includes the enacted level of \$3.0 million from federal temporary assistance to needy families block grant funds for the pilot program included in the enacted budget for wage reimbursements and related assistance for subsidized

employment and on-the-job training programs and expanded childcare assistance for participating families up to 225 percent of the federal poverty level.

- ***Indirect Cost Recovery.*** The Governor's budget adds \$0.4 million from general revenues in both FY 2014 and FY 2015 to restore unachieved savings in the Department of Human Services because it has not secured an approved indirect cost recovery rate on certain federal grants.
- ***Family Care Community Partnership.*** The Budget includes \$0.9 million from general revenue savings by reducing the Family Care Community Partnership contract to \$5.2 million for FY 2015. The Department of Children, Youth and Families contracts with four lead agencies to coordinate a continuum of services offered by a network of providers within each agency's area.
- ***In-State Program for Seriously Emotionally Disturbed Girls.*** The Budget includes \$0.3 million from general revenue savings in the Department of Children, Youth and Families' budget by moving its current caseload of ten adolescent girls with serious emotional disturbances to an in-state program. The state does not currently have an in-state program that can provide services and the current cost is approximately \$2.0 million annually.
- ***Training School Medical Expenses.*** The Budget includes \$1.3 million from general revenues for medical expenses contracted through Rhode Island Hospital for youth at the training school; this is \$0.3 million less than enacted.
- ***System of Care.*** The Budget includes \$69.0 million for out-of-home and foster care services provided through the System of Care networks.
- ***Other DCYF Contracts.*** The Budget includes general revenue savings of \$0.2 million from an across the board reduction to non-System of Care contracted services for social worker training, data analysis, security, information technology, clerical and other temporary services.
- ***Training School Capacity Reduction.*** The Budget includes savings of \$1.2 million from general revenues based on a census of 100 youth.
- ***Youth Ages 19 to 21.*** The Governor's budget includes legislation that would allow the Department of Children, Youth and Families' Director to transfer youth to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals at the age of 19. This would result in a net savings of \$0.5 million from general revenues after costs assumed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.
- ***Pharmaceutical Assistance to the Elderly.*** The Governor's budget includes \$0.3 million from all sources for the pharmaceutical assistance to the elderly program.
- ***New Veterans' Home.*** The Governor's budget includes the expenditure of general obligation bond proceeds approved by the voters in November 2012 for the design and construction of the new Veterans' Home adjacent to the existing home in Bristol, including \$5.3 million in FY 2014 and \$15.5 million in FY 2015.

Education

- ***Board of Education.*** The Governor includes legislation to restructure the Board of Education. He proposes a 15-member Board which would be responsible for setting goals and working on system-wide

initiatives and whose members would serve on one of two seven-member councils, one for elementary and secondary education and one for higher education. These councils would have full statutory authority for governance and regulatory functions.

- ***Office of Postsecondary Commissioner.*** The Governor recommends \$1.1 million and 12.8 full-time equivalent positions to staff a new office of postsecondary commissioner as part of the Board of Education restructuring.
- ***Public Higher Education.*** The Governor's budget includes \$1,072.7 million for Public Higher Education including debt service. The Budget includes \$191.7 million from general revenues, which is \$12.6 million more than FY 2014, of which \$10.0 million is intended to ensure that no institution raises tuition for FY 2015.
- ***University Engineering Building Referendum.*** The Governor recommends \$125.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot for the first phase of a project to renovate and build additions to the College of Engineering complex at the University of Rhode Island. Annual debt service would be \$10.3 million.
- ***Telecommunications Education Access Fund.*** The Governor recommends \$1.5 million, including \$0.4 million from general revenues, in both FY 2014 and FY 2015 to support the Telecommunications Education Access Fund. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- ***Rhode Island Public Telecommunications Authority.*** The Governor's budget provides \$250,000 in general revenue support for public television for FY 2015. Funding represents the second year of a two year plan to assist in the transition from a state agency to control by the Rhode Island PBS Foundation.
- ***Need Based Scholarships and Grants.*** The Governor recommends a total of \$12.3 million for need based scholarships and grants for FY 2015, which is consistent with the enacted amount. This includes \$4.3 million from general revenues, \$6.5 million from tuition savings funds, and \$1.5 million from loan reserve funds. The use of the reserve funds is new and substitutes for a like amount in unavailable revenues from the tuition savings programs.
- ***College Access Challenge Grant.*** The Governor recommends an additional \$51,597 from general revenues for need based scholarships and grants for FY 2014 to provide federal maintenance of effort for a \$1.5 million College Access Challenge grant in higher education's budget.
- ***Adult Education Grants.*** The Governor includes the enacted amount of \$3.8 million from Human Resource Investment Council funds to support adult education grants. This would provide total funding of \$5.8 million for FY 2015 including \$2.0 million from general revenues.

Public Safety

- ***Prison Population.*** The Budget assumes a population of 3,170, which is 18 more inmates than the enacted population of 3,152. It also assumes a revised population of 3,192 for FY 2014, which is 40 more than enacted.

- ***Correctional Officer Training Class.*** The Budget delays recruitment and training for a new correctional officer class from FY 2014 to FY 2015. The FY 2014 enacted budget assumes savings of \$51,051 from hiring 24 entry-level correctional officers from the FY 2014 class to partially offset overtime expenses.
- ***Personnel Costs to Capital Fund.*** The Governor proposes shifting \$0.8 million in overtime costs associated with additional supervision required for construction projects at the Department of Corrections from general revenues to Rhode Island Capital Plan funds.
- ***Weapons Requalification.*** The Budget includes \$0.5 million from general revenues for annual weapons requalification for correctional officers based on an arbitrator's decision to amend biennial weapons requalification and allow for annual requalification. This decision was challenged by the Department and upheld by the Rhode Island Supreme Court.
- ***Emergency Management Agency.*** The Governor recommends separating the Emergency Management Agency and the National Guard, currently two separate and distinct programs in the Military Staff. This action would result in two stand-alone agencies; the Military Staff and the Emergency Management Agency, and is being recommended to reflect the individual agency missions as well as current operational structure. There are no major changes to funding levels or positions.
- ***Natural Disaster Reimbursements.*** The Governor includes \$10.2 million for FY 2015 from Federal Emergency Management Agency funds for expenditures incurred due to damage caused by the 2010 Floods, Tropical Storm Irene, Hurricane Sandy, and the Blizzard of 2013.
- ***Indigent Defense Program.*** The Budget includes \$3.5 million from general revenues in FY 2015 for the Judiciary's indigent defense program, which is \$0.1 million less than enacted to reflect historical expenditures.
- ***Consolidated Training Academy.*** The Budget includes \$0.4 million from Rhode Island Capital Plan funds for the construction of a Consolidated Training Academy for use by the State Police, the Municipal Police Training Academy, and the Providence Police. The Governor proposes total funding of \$20.0 million from FY 2014 through FY 2018 for the project and includes \$9.5 million from Rhode Island Capital Plan funds and \$10.0 million from Google forfeiture funds.
- ***Contract Arbitration.*** The Budget includes \$0.7 million for FY 2014 and \$0.8 million for FY 2015 for a 3.0 percent raise of base salary for all State Troopers with ranks below Lieutenant. The increase is the result of a September 2013 contract arbitration, which ruled that the increases should be retroactive to May 2012.

Environment

- ***Open Space and Healthy Communities Bonds.*** The Budget includes \$40.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot for facilities and infrastructure improvements, flood prevention, brownfield remediation, lake restoration, open space acquisition, recreation acquisition and development grants, parkland development and acquisition for distressed communities, green infrastructure grants, local agriculture and seafood grants, and a shellfish management and restoration facility. Annual debt service would be \$3.2 million.
- ***Rocky Point.*** The Governor recommends \$2.8 million from previously approved funding for maintenance and renovations at Rocky Point in FY 2014. The state completed the purchase of Rocky

Point in FY 2013 after the federal district court and state properties committee approved the final purchase and sales agreement.

- **Fort Adams Sailing Improvements.** The Budget includes \$6.1 million in FY 2014 and \$2.5 million in FY 2015 for improvements to Fort Adams State Park, which will allow the state to host large-scale sailing events. The funding for FY 2015, which was not included in the approved capital plan, reflects water and electric hookups and other improvements for major sailing events.
- **Galilee Piers.** The Budget includes \$5.3 million in FY 2014 and \$0.7 million in FY 2015 from state and federal sources for infrastructure improvements at the Port of Galilee. This is \$0.3 million more than the approved plan.
- **Tipping Fees.** The Budget extends the current municipal tipping fees charged by the Resource Recovery Corporation by one year, through FY 2015. The current fees range from \$29 to \$32 per ton and are based on the proportion of solid waste recycled by each municipality.
- **Clean Water State Revolving Loan Bonds.** The Budget includes \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot for loans to be issued by the Clean Water Finance Agency. The proposed funding is for the Clean Water State Revolving Loan Fund, a subsidized loan program for local governmental units to finance wastewater infrastructure projects. Annual debt service would be \$1.6 million.
- **Water Facilities Assistance Bonds.** The Budget includes \$15.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot for the Water Facilities Assistance Program. The funding would enable the Water Resources Board to issue grants to local water suppliers to implement water resource programs. Annual debt service would be \$1.2 million.

Transportation

- **Infrastructure and Maintenance.** The Governor's recommendation reprograms \$99.4 million of existing Department of Transportation resources over five years for a statewide bridge rehabilitation program, drainage improvements and heavy equipment purchases.
- **Transportation Debt Service.** The Budget funds \$19.3 million of the Department's debt service payment from general revenues in FY 2015. This is \$10.0 million more than included in the enacted budget, and is consistent with the recent initiative to transfer debt service payments from the gas tax to general revenues in \$10.0 million increments until all of its debt service is paid from general revenues.
- **Transportation Equipment.** The FY 2014 Budget includes \$2.4 million from Rhode Island Capital Plan funds for the Department to purchase heavy equipment, with \$2.5 million programmed each year through FY 2019. This is \$1.5 million more per year than included in the approved plan.
- **Transportation Bonds.** The Budget includes \$40.0 million of new general obligation bonds to be submitted to the voters on the November 2014 ballot to make renovations and enhancements to mass transit hubs throughout the state. The FY 2015 budget includes \$0.3 million from Rhode Island Capital Plan funds for a preliminary conceptual design of the new transit hub system. Annual debt service would be \$3.3 million.
- **Airport Corporation Revenue Bonds.** The Governor requests authorization for the Rhode Island Airport Corporation to issue up to \$60.0 million of revenue bonds for various improvements at T.F.

Green Airport, including the extension of the main runway. The projected annual debt service would be \$4.5 million and supported by Airport Corporation revenues.

- ***Rhode Island Public Transit Authority Debt Service.*** The Governor recommends the Authority's debt service payments be made with general revenues in lieu of Authority sources in order to reduce the projected operating shortfalls. This includes \$1.7 million in FY 2014 and \$1.8 million in FY 2015 with the expectation that the Authority assume responsibility for its debt service payments beginning in FY 2016.

Article Explanations

Explanations of Budget Articles

2014-H 7133

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2015.

Section 2. Line Item Appropriations. This section establishes that each line in Section 1 of Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 6. Legislative Intent. This section authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2015.

Section 8. Employment Security Funds. This section appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2015.

Section 9. Lottery. This section appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 10. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2015. It also provides that state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. Total staffing is 15,097.0 full-time equivalent positions, 21.3 positions less than enacted.

The enacted and six previous budgets included language that no contracted employee could be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. This section excludes this language.

Explanations of Budget Articles

Section 11. Multi Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in the FY 2016 through FY 2018 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2015 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2014 Appropriations Act.

Section 12. Reappropriations. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan fund projects may be reappropriated at the recommendation of the Governor in FY 2015. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the state Budget Officer. This amends the FY 2014 enacted language and prevents automatic reappropriations of unexpended and unencumbered funds for Rhode Island Capital Plan fund projects; according to the Budget Office the change was inadvertent.

Section 13. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the chair of the Housing Resources Commission and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units created.

Section 14. Effective Date. This section of Article 1 establishes July 1, 2014 as the effective date of the article.

Article 2. Municipal Incentive Aid

Article 2 amends current law to require appropriations of \$5.0 million from general revenues for FY 2015 and FY 2016, the second and third years of the Municipal Incentive Aid program to encourage sustainable funding of retirement plans and to reduce unfunded liabilities. Current law requires the Governor to recommend \$10.0 million for the second and third years. Eligibility requirements remain unchanged. For both years, a municipality with a local plan that did not require a Funding Improvement Plan for eligibility for FY 2014 must be making 100 percent of its annual required contribution. Municipalities required to implement a Funding Improvement Plan must do so within 18 months after certification that their retirement plan is in critical status. Those with no local plans or those implementing Funding Improvement Plans continue to be eligible. Article 1 includes \$5.0 million, assuming all municipalities participate; but under current law, funds for non-compliant municipalities will be redistributed to the eligible municipalities for the fiscal year.

Article 3. Restricted Receipts

This article creates a new Veterans' Home Construction restricted receipt account and exempts it as well as the HIV Care Grant Drug Rebates account from the 10.0 percent indirect cost recovery charge, effective January 1, 2014. It should be noted that the HIV Grant Drug Rebates account is not established in statute.

Explanations of Budget Articles

Article 4. Public Corporation Debt Management

The Public Corporation Debt Management Act requires that all new non-general obligation debt authorizations be approved by the Assembly, except in certain circumstances. This article contains four authorizations totaling \$148.0 million, including \$30.0 million for information technology improvements, which is projected to have general revenue funded annual debt service of \$3.9 million, and \$13.0 million to renovate the Virks building in the Pastore Center, which is projected to have \$1.3 million of annual debt service, half of which will be from general revenues. The article also authorizes \$60.0 million for various improvements at T.F. Green Airport, to be supported by Airport Corporation revenues, and \$45.0 million for construction of approximately 1,250 parking spaces and 13,800 square feet of retail spaces as part of the Garrahy Courthouse parking project. The parking project may require a state subsidy, but the proposed legislation is not specific.

Article 5. Capital Development Program

Article 5 places \$275.0 million of new general obligation bond authorizations on the November 2014 ballot for voter approval through four separate questions. The first referendum would provide \$125.0 million for the first phase of a project to renovate and build additions to the College of Engineering complex at the University of Rhode Island. The second question is for \$35.0 million for renovations to public and nonprofit theaters and performance spaces with \$5.0 million of that reserved for qualifying projects in historic sites. Question three would provide \$40.0 million to make renovations and enhancements to the infrastructure of the state's mass transit hubs. The final referendum is \$75.0 million for clean water, open space and healthy communities. It is divided into 15 distinct components with \$20.0 million for Clean Water Finance Agency infrastructure loans and \$15.0 million to enable the Water Resources Board to leverage local resources for local water supply infrastructure projects. The remaining 13 components total \$40.0 million for facilities and infrastructure improvements, flood prevention, brownfield remediation, lake restoration, open space acquisition, recreation acquisition and development grants, parkland development and acquisition for distressed communities, green infrastructure grants, local agriculture and seafood grants, and a shellfish management and restoration facility.

Article 6. Resource Recovery Municipal Tipping Fees

This article extends the current municipal tipping fees charged by the Resource Recovery Corporation by one year, through FY 2015. The current fees range from \$29 to \$32 per ton and are based on the proportion of solid waste recycled by each municipality. The municipal tipping fees were last extended by the 2011 Assembly to sunset as of June 30, 2014, which would leave no statutory guidance for setting the fees. Absent the extension, the Corporation would be responsible for the determination of municipal tipping fees.

Article 7. Regional Greenhouse Gas Initiative

Current law allows the Department of Environmental Management and the Office of Energy Resources to use \$0.3 million or 5.0 percent, whichever is less, of the receipts from the Regional Greenhouse Gas auctions for administrative purposes. This article increases the administrative percentage to \$0.3 million or 10.0 percent, whichever is greater. Reported administrative expenditures were \$0.1 million each in FY 2013 and FY 2012, and \$0.2 million in FY 2011. The article takes effect on July 1, 2014.

Explanations of Budget Articles

Article 8. Water Supplies

This article proposes the construction of water interconnections between the supplies of the Pawtucket Water Supply Board, the East Providence Water Division and the Bristol County Water Authority, provided that the \$15.0 million proposed referendum for Water Facilities Assistance in Article 5 is approved by the voters. The estimated project cost is \$27.0 million; \$13.5 million would be paid from new general obligation bonds. The remaining half of the cost would be paid by the Pawtucket Water Supply Board, the East Providence Water Division and the Bristol County Water Authority, in proportions to be established by the Water Resources Board. The article takes effect upon passage.

Article 9. FICA Alternative Retirement Plan

This article makes a technical correction to clarify that an eligible participant of the alternative retirement plan would be an employee who works less than 20 hours per week. The plan was established for seasonal and part-time employees who are not members of the state's retirement system.

Article 10. Revised Budget

Section 1. Revisions to Appropriations. This section of Article 10 contains the revised appropriations for FY 2014.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 10 constitutes an appropriation.

Section 3. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2014. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. Total staffing is 15,100.3 full-time equivalent positions, 18.0 positions less than enacted.

The enacted and six previous budgets included language that no contracted employee could be hired nor any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and a determination of need by the Director of Administration. This section excludes this language.

Section 5. Bond Premiums. This section of Article 10 transfers \$3.3 million of bond premium proceeds that were deposited into the Rhode Island Capital Plan Fund in FY 2014 to the General Fund on or before June 30, 2014.

Explanations of Budget Articles

Section 6. Effective Date. This section of Article 10 establishes an effective date upon passage of the article.

Article 11. Job Development Fund

Article 11 allows the General Assembly to appropriate revenues from the temporary 0.3 percent assessment imposed on employers to pay back the state's federal unemployment insurance loans, in excess of the debt, towards the Department of Labor and Training's new information technology system instead of solely for benefit payments, as in current law. The Department projects approximately \$13 million will be available in FY 2016 and has previously estimated a need of \$8.0 million for the project; no spending is recommended for FY 2015. The article also makes a technical correction regarding the portion of the assessment used to supplement departmental expenses.

Article 12. Relating to Taxation and Revenues

Section 1. Auto Registration Block. This section amends current law to establish a block on new vehicle registrations applied for by persons who are not current in tax return filings or are delinquent in payments and who have not begun an administrative or appellate review process. The Tax Administrator is made responsible for the quarterly reporting of applicable data to the Division of Motor Vehicles and certification of subsequent compliance. The Budget includes \$0.5 million in additional revenues from the establishment of this block.

Sections 2. Electronic Filing. This section renders illegal the charging of a separate fee for electronic filings made by tax preparers or tax software companies. Tax software companies are additionally prohibited from offering a version of tax software that charges a separate fee for the filing of tax documents and a version of the same tax software that does not.

Sections 3 and 4. Room Resellers and Other Temporary Lodging. These sections amend current law to subject the resale cost of hotel rooms to the 7.0 percent state sales tax, 5.0 percent state hotel tax, and the 1.0 percent local hotel tax. Hotel resellers, as defined in the article, must register with the Division of Taxation for the collection and remittance of sales and hotel taxes, calculated using a room's rental cost and other fees paid by the occupant to the reseller less any rental costs or other fees paid by the reseller to the hotel. The article maintains current law that subjects a room's wholesale cost to sales and hotel taxes.

The sections additionally define travel packages as room rentals bundled for sale with other items and require that the total package cost be used for calculation of taxes owed, and amend current statute to include bed and breakfasts and timeshares offering a minimum of one room for temporary rental as hotels and to subject the rental of either to sales and hotel taxes. The Budget assumes \$0.9 million in new sales and hotel tax revenues from room resale and \$0.5 million in new revenues from the inclusion of bed and breakfasts and timeshares.

Section 5. Use Tax Safe Harbor. This section establishes a safe harbor provision for the payment of use tax according to a lookup table provided by the Tax Administrator. Filers who purchase taxable items from vendors that do not collect or remit Rhode Island sales tax are responsible for the payment of use tax on those purchases. Personal income tax return forms will include a table to assist filers with the determination of use tax owed based on the filer's Rhode Island adjusted gross income and single purchases over \$1,000. Proper filing of use tax, per the Tax Administrator's instructions, will absolve the filer from

Explanations of Budget Articles

the requirement to pay any additional taxes owed as well as any penalties. The Budget assumes \$2.2 million in new use tax will be remitted.

Section 6. E-Cigarettes. This section amends current statutes to include electronic devices that deliver nicotine through a vaporization process, e-cigarettes, within the definition of other tobacco products and subjects them to the 80.0 percent of the wholesale cost tax applied to those items. Currently, these products are only subject to state sales tax. The Budget assumes \$750,000 in additional revenues.

Section 7. State Employee Income Tax Compliance. This section establishes income tax compliance as a condition of employment by the state. Each year, the Department of Administration will provide the Tax Administrator with a list of all state employees; the Division of Taxation will notify any state employee who is out of compliance of the amount of any tax, interest, and penalties due and provide procedures to come into compliance. Should an employee fail to respond or make a good faith effort to come into compliance, the state controller will begin garnishment of the employee's wages. The Budget includes \$0.4 million of associated revenues.

Section 8. Automatic Sales Suppression Devices. This section criminalizes the purchase, sale, and use of any technology that enables the understatement of actual sales through the alteration of transaction data or reports for sales tax purposes. Violators will be guilty of a felony and subject to a fine of up to \$50,000, five years in prison, or both, in addition to any tax owed and all associated interest and penalties. The Tax Administrator will provide safe harbor to those persons in possession of such a device, if any requested information is provided, any unreported tax is corrected, and all amounts owed are fully paid by October 1, 2014. The Budget includes \$0.8 million in associated revenues.

Section 9. Effective Date. This section establishes July 1, 2014 as the effective date of the article.

Article 13. Lottery

The article amends current statute to limit the 2.0 percent increase in Twin River's share of net table game revenue, triggered by a decrease in video lottery revenues, to a period of four fiscal years and only after the commencement of table gaming in Massachusetts. Under current law, the state retains 18.0 percent of table game revenues only until an annual decline in video lottery revenue occurs, at which point the share drops to 16.0 percent permanently. The article also requires that Massachusetts gaming begin prior to the Town of Lincoln receiving an increased share. Current law already limits Lincoln's increase to a period of four years following a decrease in video lottery revenues.

The article also amends current law regarding the net transfer of lottery funds to the state General Fund. It eliminates existing statutory minimum percentage transfer requirements from traditional lottery and Keno games, enabling the Lottery Division to determine the types and amounts of games it offers to maximize sales and the transfer to the General Fund. The article also amends existing statute to require that the transfer of remaining lottery funds to the General Fund reflect the employer contribution to the employees' retirement system. This is to allow compliance with new Governmental Accounting Standards Board rules regarding the recognition of unfunded retirement liabilities beyond the annual required contribution without affecting the transfer.

Explanations of Budget Articles

Article 14. Marketplace Fairness Act

Article 14 reduces the business corporations tax to from 9.0 percent to 6.0 percent upon the passage of federal legislation that empowers states to require the collection and remittance of sales and use taxes by remote sellers. Tax credits available to businesses that are based on rate reductions would be applied to the 6.0 percent rate.

The article also rescinds the 2011 Assembly action, updated in subsequent years, by eliminating from statute the reduction of the state sales tax from 7.0 percent to 6.5 percent, increase of local hotel tax and local meals and beverage tax from 1.0 percent to 1.5 percent, and the exemption of sales of clothing over \$250 from sales tax upon passage of federal legislation empowering states to require the collection and remittance of sales and use taxes by remote sellers. The article instead exempts the sale of electricity and gas to non-manufacturing businesses from sales tax if the federal Marketplace Fairness Act or similar legislation becomes law.

Article 15. Historic Structures Tax Credit

The 2013 General Assembly extended the authorization to issue bonds to satisfy tax credit obligations incurred under the Historic Structures Tax Credit program to include replacement projects through a reconstituted program, but retained the \$299.9 million cap on the total that could be borrowed to pay for processing fee reimbursements and reimburse the state for tax credits issued for qualified projects. Article 15 includes authorization for an additional \$52.1 million in debt for replacement projects, increasing the total to \$352.0 million. Estimated debt service for the additional borrowing is \$7.2 million annually or \$64.4 million assuming 4.5 percent interest and a nine year term.

Article 16. Task Force on the Underground Economy and Employee Misclassification

Article 16 creates an interdepartmental task force to combat the underground economy and prevent misclassification of employees by employers, such as categorizing workers as contracted staff instead of employees and paying wages lower than the minimum wage or not properly documenting payroll expenses. The task force will include representatives of the Department of Labor and Training, Division of Taxation, Commerce Corporation, Attorney General, and State Police. An annual report shall be submitted by March 15 to the Governor and chairpersons of the House and Senate Finance Committees, beginning in 2015. The Governor's budget includes revenues of \$1.8 million from personal income taxes not currently collected from misclassified workers and the assessment of interest and penalties on employers.

Article 17. Relating to Government Reform

Section 1. Retirement Transfer and Direct Deposit. This section removes the requirement that final revenues exceeding budgeted estimates be transferred to the Retirement System to pay down the unfunded liability beginning with FY 2014. For FY 2013 there is a \$0.2 million transfer; the FY 2012 closing required a \$12.9 million transfer. This is the second year, the Governor has proposed this action; the 2013 Assembly rejected this proposal.

This section also requires the controller to implement a direct deposit payroll system for state employees and requires that all state employees hired after September 30, 2014 participate in the direct

Explanations of Budget Articles

deposit system. Employees hired before September 30, 2014 who are not participating in the direct deposit system, must do so by June 30, 2016. The Budget includes \$60,000 for the new payroll system.

Sections 2 and 3. Directors Salaries. Current law requires the Department of Administration to refer proposed salaries for cabinet directors to the General Assembly by the last day in April, which will take effect in 30 days unless it is rejected by formal action by the General Assembly. This section of Article 17 repeals that requirement, effective January 1, 2015. These positions would be treated as all other unclassified positions and subject to the public hearing requirement for changes to those pay schedules.

Section 4. Privatization Contract. The 2006 Assembly adopted legislation requiring agencies to list all privatization contracts as part of the budget request when obtaining services that are substantially similar to work performed by regular employees of the department, commission, board, council or agency starting in FY 2009. The list must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate. Section 4 alters the requirements so that agencies provide actual information for the prior fiscal year and projected costs for the current and fiscal years. The listings will be published annually online using the state's transparency portal or an equivalent website no later than December 1 of each year.

Section 5. State Leases. This section of Article 17 eliminates the requirement that state entities obtain legislative approval before entering into a long-term lease agreement of five years or more, or lease agreements that are more than \$0.5 million.

Section 6. Consultant Report. Current law requires that state agencies report a list of all contracted services in excess of \$100,000 to the Secretary of State on a quarterly basis. This section of Article 17 increases the threshold to \$150,000 and requires that the reporting be annually submitted to the Budget Office electronically. It further requires that the Budget Office electronically post all contracts and reports online using the state's transparency portal or an equivalent website no later than December 1 of each year.

Section 7. Contracted Services Assessment. This section repeals the 5.5 percent assessment on contractual costs to be paid to the retirement system when a department, commission, board, council, agency or a public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees. This provision was included with the 2011 pension reform legislation. The surcharge generated \$0.4 million in FY 2013.

Article 18. Government Reorganization

Section 1. This section transfers control of the state Emergency Management Agency from the Adjutant General of the National Guard to the executive director of the Emergency Management Agency. This effectively separates what is currently a single administrative structure with both the Emergency Management Agency and the National Guard. Article 1 separates the entities into stand alone agencies.

Explanations of Budget Articles

Section 2. This section makes a technical correction to a Public Utilities Commission statute regarding the Low Income Home Energy Assistance Program Enhancement Plan, replacing references to the Office of Energy Resources with the Department of Human Services since the administration of the Low Income Home Energy Assistance Program was transferred to the Department on July 1, 2012.

Section 3. This section creates a customer service unit within the Department of Environmental Management. The Department already includes an Office of Customer and Technical Assistance, but this section codifies a requirement that the agency have a customer service unit to provide technical assistance to customers and help them to comply with environmental regulations and requirements. This section also mandates that the Department and the Office of Regulatory Reform collaborate on a report detailing an alternative compliance approaches plan, which would be due to the General Assembly and the Governor by May 1, 2015.

Section 4. This section specifies that Article 18 will take effect on July 1, 2014.

Article 19. Executive Office of Commerce

The 2013 Assembly adopted legislation creating the Executive Office of Commerce to be administered by a secretary of commerce, effective February 1, 2015. The Office will oversee and serve as the lead agency of the Executive Branch for managing the promotion of commerce and the state's economy. The legislation required that the Executive Office of Commerce operate functions assigned to the Department of Business Regulation, effective February 1, 2015, and subsequently various functions from the Department of Administration including the Office of Regulatory Reform.

This article delays the creation of the Executive Office of Commerce to July 1, 2015 and maintains the Office of Regulatory Reform in the Department of Administration. It also delays the due date for the submission of a study and review of functions of the Departments of Administration and Labor and Training to the General Assembly from September 1, 2015 to January 1, 2016.

Article 20. Relating to Board of Education

Article 20 includes legislation to restructure the Board of Education. It proposes a 15-member board which would be responsible for setting goals and working on system-wide initiatives and whose members would serve on one of two seven-member councils, one for elementary and secondary education and one for higher education. These councils would have full statutory authority for governance and regulatory functions. It also transfers a limited number of management authorities currently held by the Board to the presidents. The legislation omits creation of a Coordinating Committee that was in the proposal approved by the Board of Education. It appears that this could be done administratively.

Article 21. Transportation Funding

This article requires use of \$99.4 million of Department of Transportation resources for multiple statewide infrastructure initiatives. The funding is derived from gasoline taxes that will be gradually made available as the Department's debt service payments are shifted from gasoline tax revenues to general revenues. The article outlines expenditures in the FY 2015 through FY 2019 period as follows:

Explanations of Budget Articles

\$80.0 million for bridge repair and maintenance, \$12.4 million for vehicle replacements and \$7.0 million for drainage improvements through FY 2019 and \$44.5 million annually thereafter.

Article 22. Legal Notices

Article 22 allows legal notices and advertisements to be posted electronically on approved websites in lieu of in a newspaper, provided that the intent to do so is advertised where notice or advertisement is currently required to be published for three consecutive weeks. The article takes effect upon passage.

Article 23. Hospital Licensing Fee

This article extends the hospital licensing fee in FY 2015 at a rate of 5.246 percent on net patient services revenue for the hospital fiscal year ending on or after September 30, 2012 for all community hospitals except South County and Westerly, which will be assessed a 3.3 percent license fee. It includes the due date for filing returns and making the payment. Revenue from the two-tiered fee will be \$141.3 million, including \$136.0 million from community hospital payments and \$5.3 million from state payments for Eleanor Slater Hospital. This article appears annually in the Appropriations Act.

Article 24. Hospital Payments

Article 24 extends the uncompensated care payments to the community hospitals, with the state making a payment for FY 2016 that does not exceed \$128.3 million. It also eliminates the outpatient upper payment limit reimbursement made to community hospitals; the Governor includes savings of \$11.1 million, of which \$5.5 million is general revenues from the state not making the payment in FY 2015.

Article 25. Medical Assistance

Article 25 includes the statutory authority for the state to freeze rates it pays to hospitals and eliminate the October 1, 2014 rate increase for nursing facilities. It also includes the necessary resolution language for Assembly approval to make those statutory changes in addition to other program changes requiring legislative approval that are included in the Governor's FY 2015 budget.

The other changes to the Medicaid global waiver for programs under the Office of Health and Human Services that do not require a statutory change include: reducing payments made to the managed care organizations; implementing program changes to address the utilization of costly services for certain populations; pursuing the Community First Choice Option for home and community based services; coverage for certain pregnant and post-partum women to promote enrollment in a qualified health plan; offering extended family planning services; and instituting an income based, cost sharing requirement for families with children receiving services through the Katie Beckett option. The Governor's budget assumes savings of \$57.1 million, including \$31.6 million from general revenues from the statutory and program changes.

The resolution also allows the Office to pursue any requirement or opportunities under the Patient Protection and Affordable Care Act that may require a state plan amendment change but does not have an adverse impact on beneficiaries or state finances. Finally, the article ensures that the state's RIte Care transitional medical assistance program for certain Rhode Island Works participants continues only if it is matched by Medicaid.

Explanations of Budget Articles

Article 26. Children, Youth and Families

Article 26 provides the Director of the Department of Children, Youth, and Families the authority to transfer developmentally disabled youth between the ages of 19 and 21 to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to receive services for which they are eligible. As the services through the adult system are generally provided at a lower cost, the Governor assumes \$0.5 million net general revenue savings which equates to transferring approximately 12 youth to the adult system.

Article 27. Medical Assistance Recoveries

Article 27 includes language to strengthen the state's medical assistance eligibility and recovery efforts for long term care recipients when an individual has a life estate and to conform to new federal requirements that allow states to recover resources from third party settlements paid to medical assistance recipients.

Article 28. Relating to Education

This article eliminates the requirement for administrative cost reimbursement to districts for the school breakfast program, for which the enacted budget includes \$270,000. Administrative costs would shift to districts; food is paid from federal sources. It also removes the requirement to reimburse districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade; the enacted budget includes \$240,000. Local districts would still provide the books.

Article 29. Effective Date

Article 29 provides that the act shall take effect on July 1, 2014, except where a provision within an article specifies a retroactive or prospective effective date.

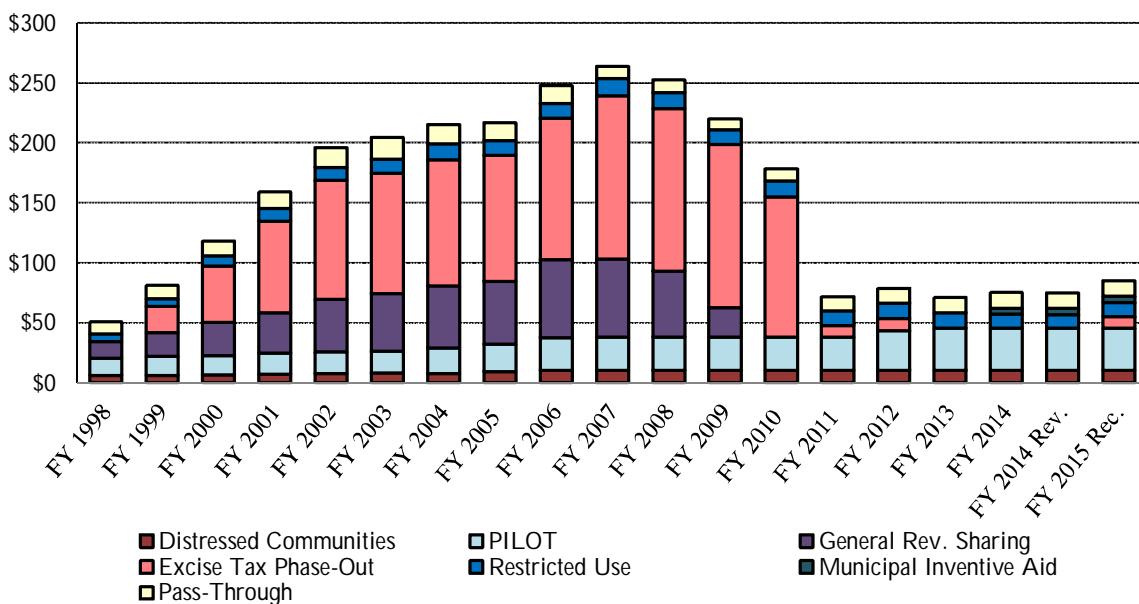
Local Aid

State Aid to Local Governments

Introduction

The Governor recommends state aid to cities and towns totaling \$72.1 million in FY 2014 and \$72.3 million in FY 2015. Funding for general aid programs in both FY 2014 and FY 2015 includes the enacted level of \$60.5 million. The recommendation for restricted use programs includes \$11.6 million, which is \$0.1 million less than enacted for FY 2014 and \$11.8 million, which is \$0.1 million more than enacted for FY 2015. Local communities will also receive \$13.2 million each year in public service corporation property taxes that the state collects and passes through to the communities.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through the Governor's recommendation for FY 2015.



The major changes in the aid proposal are discussed on the following pages, followed by tables that show recommended distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations' tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes. It should be noted that a number of programs require data updates not reflected in the distributions. Those updates will change allocations to each community.

General. The Governor recommends \$60.5 million in FY 2014 and FY 2015 for general state aid to local governments.

Fiscal Year	1990	2000	2005	2010	2013	2014 Enacted	2014 Gov. Rev.	Rev. Diff.	2015 Gov. Rec.	Rec. Diff.
General Aid - State Sources										
Distressed Communities*	\$ -	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ -	\$ 10.4	\$ -
PILOT	0.3	16.1	22.7	27.6	35.1	35.1	35.1	-	35.1	-
Excise Tax Phase-Out	-	47.3	105.0	117.2	10.0	10.0	10.0	-	10.0	-
Municipal Incentive Aid	-	-	-	-	-	5.0	5.0	-	5.0	-
General Rev. Sharing	27.8	27.6	52.4	-	-	-	-	-	-	-
Subtotal	\$ 28.1	\$ 97.5	\$ 189.7	\$ 155.1	\$ 55.5	\$ 60.5	\$ 60.5	\$ -	\$ 60.5	\$ -
Restricted Use Aid - State Sources										
Library Resource Aid	\$ 1.6	\$ 5.7	\$ 8.1	\$ 8.8	8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ -
Library Const. Aid	1.3	1.6	2.5	2.6	2.5	2.5	2.3	(0.2)	2.3	(0.2)
Police & Fire Incentive	4.1	0.9	1.1	-	-	-	-	-	-	-
Prop. Reval. Reimb.	-	0.0	0.6	1.6	1.6	0.5	0.5	-	0.6	0.2
Actuarial Valuation	-	-	-	-	0.0	-	-	-	-	-
Oversight Reimbursement	-	-	-	-	-	-	0.1	0	0.1	0
Subtotal	\$ 7.2	\$ 8.2	\$ 12.3	\$ 13.0	\$ 12.9	\$ 11.7	\$ 11.6	\$ (0.1)	\$ 11.8	\$ 0.1
Total - State Sources	\$ 35.2	\$ 105.7	\$ 202.0	\$ 168.2	\$ 68.3	\$ 72.2	\$ 72.1	\$ (0.1)	\$ 72.3	\$ 0.1
Other Aid - Pass-Through										
Public Service Corp.	\$ 9.9	\$ 12.8	\$ 14.6	\$ 10.2	\$ 12.7	\$ 13.2	\$ 13.2	\$ -	\$ 13.2	\$ -

- **Distressed Communities Relief Fund.** The Governor recommends the enacted level of \$10.4 million for the Distressed Communities Relief Fund for FY 2015. Communities' aid distribution is based on updated qualifying tax levies. In FY 2013, Cranston qualified for aid. Communities entering and exiting the program receive 50.0 percent of what would otherwise be full funding under the formula. Cranston does not qualify as distressed for FY 2015. The Governor's recommendation redistributes 50.0 percent of Cranston's FY 2014 allocation to the other six communities for FY 2015.
- **Payment in Lieu of Taxes Program.** The Governor recommends the enacted amount of \$35.1 million to fund the Payment in Lieu of Taxes program for FY 2015. This program reimburses cities and towns for property taxes which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility exempt from taxation by state law. Reimbursement is statutorily based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The state makes one payment to communities in July of each year. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The FY 2014 payment represented a reimbursement of 22.0 percent of the value. The distribution and value of FY 2015 reimbursements has not been determined as of this writing. The Division of Municipal Finance reports that multiple communities did not provide necessary data until December 2013, five months after the August 1 deadline. The Division anticipates updating distribution data in spring 2014, prior to the scheduled July payment for FY 2015.
- **Motor Vehicle Excise Tax Phase-Out.** The Budget funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million for FY 2015. The 2010 Assembly enacted legislation mandating a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement. The Division of Municipal Finance reports that the FY 2014 revised and FY 2015 recommended distributions are based on December 2011 data. It anticipates updating planned distribution in spring 2014.
- **Municipal Incentive Aid.** For FY 2015, the Governor includes the enacted amount of \$5.0 million for the Municipal Incentive Aid program, which encourages sustainable funding of retirement plans and

reduction of unfunded liabilities. For FY 2014, a municipality may receive funding if it has no locally administered pension plan; if it submitted an approved Funding Improvement Plan no later than June 1, 2013, or if it is not required to submit a Funding Improvement Plan. For FY 2015 and FY 2016, a municipality must be funding 100 percent of its annual required contribution; if there is no local plan or a Funding Improvement Plan has been implemented, the municipality remains eligible. Coventry did not submit its funding improvement plan by the deadline for FY 2014 funding. Its \$166,126 allocation will be redistributed to the qualifying communities in May 2014. Distribution to all 39 municipalities is included in the Governor's recommendation for FY 2015.

- **Library Resource Sharing Aid.** The Governor recommends \$8.8 million for FY 2015, which is the enacted amount but \$1.0 million or 11.4 percent less than current law requirements. Current law allows 25.0 percent reimbursement of second prior year expenditures.
- **Library Construction Aid.** The Governor provides \$2.3 million to fund library construction aid requirements, 6.8 percent less than the enacted level. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects. The Chief of Library Services will begin accepting applications for library projects on July 1, 2014.
- **Property Valuation Reimbursement.** The Governor recommends \$0.5 million for FY 2014 and \$0.6 million for FY 2015 to reimburse communities conducting property valuation updates.
- **Public Service Corporation Tax.** The revised FY 2014 and FY 2015 budgets assume the state will collect \$13.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.

State Aid

State aid can be classified into *general* state aid and *restricted use* aid. *General* aid payments made to municipalities can be used for general budget use or as reimbursement for costs incurred. Examples include: general revenue sharing, payments in lieu of taxes, distressed communities relief, and vehicle excise tax phase-out payments. The general purpose of these programs is to relieve pressure on local property taxes by providing revenues from the state's broad based taxes to local governments.

Restricted use aid includes payments made to a municipality for a specific purpose or payments to non-governmental entities providing a public service. These include library aid and police and fire incentive pay plan sharing. The largest source of restricted aid is education aid, which is not included here. This information is shown separately in the Education Aid report in this publication.

Pass-through aid in the form of the Public Service Corporation tax is a third category often listed as state aid. However, it is not paid for from state sources, but is actually a local levy collected at the state level and returned to local governments for tax collection efficiency purposes. It is not part of the state budget or funds.

General State Aid

Distressed Communities Relief Program. The Distressed Communities Relief program was established in 1990 to provide assistance to the communities with the highest property tax burdens relative to the wealth of the taxpayers.

Rankings	Central		East		North		West		
	Burrillville	Falls	Coventry	Cranston	Providence	Pawtucket	Providence	Warwick	Woonsocket
FY 2012									
Levy/Full Value	22	25	5	8	11	7	15	1	3
Per Capita Income 2000	6	1	11	9	7	10	4	2	5
Personal Income/Full Value	10	1	6	15	13	4	3	8	5
Full Value Per Capita	7	1	9	10	8	6	3	4	5
Qualifying Rankings	2	3	2	1	2	3	3	4	4
FY 2013									
Levy/Full Value	22	23	12	3	15	2	6	1	5
Per Capita Income 2000	10	1	12	7	8	9	4	3	5
Personal Income/Full Value	8	1	11	10	14	4	3	7	5
Full Value Per Capita	8	1	9	7	10	6	3	4	5
Qualifying Rankings	2	3	0	3	1	3	4	4	4
FY 2014									
Levy/Full Value	20	3	14	5	10	4	8	1	6
Per Capita Income 2000	11	1	10	7	9	6	4	3	5
Personal Income/Full Value	5	1	11	12	13	6	3	8	4
Full Value Per Capita	7	1	10	8	9	6	3	4	5
Qualifying Rankings	2	4	0	3	0	4	4	4	4
FY 2015									
Levy/Full Value	17	1	16	7	11	5	8	2	6
Per Capita Income 2000	12	1	10	8	6	7	4	3	5
Personal Income/Full Value	5	1	15	16	22	6	3	14	4
Full Value Per Capita	7	1	11	9	10	6	3	4	5
Qualifying Rankings	2	4	0	2	1	4	4	3	4

The 2005 Assembly increased eligibility for FY 2006 to any community falling into the lowest 20.0 percent for at least three of four indices to be eligible for assistance under the Distressed Communities Relief program.

Dedicated funding for the program was from \$0.30 of the \$2.00 real estate transfer tax collected for each \$500 or fractional part of the purchase price of property sold, \$5.0 million from state appropriations, and 0.19 percent of all net terminal income from video lottery. The 2007 Assembly adopted the Governor's recommendation to convert the real estate conveyance portion to general revenues and make the program subject to appropriation. Distributions from only video lottery terminal revenues were shared equally among qualifying communities.

The 2012 Assembly provided \$10.4 million for the Distressed Communities Relief Fund in FY 2013. It also adopted legislation allowing municipalities to receive all of their distressed aid payments in August. Payments were made twice a year in August and March.

Most funds are distributed based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. However, when a new community qualifies, that community receives 50.0 percent of current law requirements the first year it qualifies. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification. Cranston entered the program in FY 2013 and will no longer qualify as of FY 2015, receiving its full allocation for only FY 2014. For FY 2015, it will receive a transition payment.

The Governor recommends the enacted level of \$10.4 million for both FY 2014 and FY 2015 to fund the Distressed Communities Relief Program. Communities' aid distribution in FY 2015 is based on updated qualifying tax levies.

Historically, a majority of the funds, \$9.6 million was distributed on a weighted allocation and legislation was included in past budgets to allow \$0.8 million previously linked to lottery revenues to be shared equally among the communities. Consistent with FY 2014, the Governor's FY 2015 budget does not include this legislation; absent the legislation, all of the funds are distributed on a weighted basis. This is consistent with current law; however, it differs from past practices. For FY 2015, seven communities will receive distressed aid, consistent with the enacted budget: Central Falls, Cranston, North Providence, Pawtucket, Providence, West Warwick, and Woonsocket. The Division of Municipal Finance reports that Cranston no longer qualifies as a distressed community for FY 2015. The Governor's recommendation redistributes 50.0 percent of Cranston's FY 2014 allocation to the other six communities for FY 2015.

Payment in Lieu of Taxes (PILOT). This program reimburses cities and towns for property taxes, which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation.

The Governor recommends level funding the program in FY 2014 and FY 2015 at the enacted amount of \$35.1 million. The recommendation for FY 2014 is \$9.9 million less than the current law allowance of 27.0 percent and represents a reimbursement of 22.0 percent of the value for FY 2014. The state makes one payment to communities in July of each year. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced.

The distribution and value of FY 2015 reimbursements has not been determined. The Division of Municipal Finance reports that multiple communities did not provide necessary data until December 2013, four months after the August 1 deadline. The Division anticipates updating distribution data in spring 2014, prior to the scheduled July payment for FY 2015.

Motor Vehicle Excise Tax Phase-Out. The 1998 General Assembly enacted legislation to eliminate the property tax on motor vehicles and trailers over a period of seven years. It was modified in subsequent legislative sessions to substantially extend the phase-out period. It began with a \$1,500 exemption for FY 2000 tax bills that increased by \$1,000 per year to the FY 2005 amount of \$4,500. Cities and towns are held harmless for the exemptions and are reimbursed on the basis of 100 percent collections. They also received adjustments for freezing tax rates at the FY 1998 level through FY 2003. Fire districts were no longer allowed to levy motor vehicle excise taxes, and were fully reimbursed for the lost revenues.

The 2005 Assembly increased the exemption from \$4,500 to \$5,000 per vehicle for FY 2006 and dedicated certain future revenues from video lottery terminals to phase out the tax. The 2006 Assembly increased the exemptions to \$6,000 and converted that dedication to 1.22 percent of all net terminal income up to \$10.0 million per year.

The 2007 Assembly provided \$135.5 million to fund the phase-out for FY 2008, with a \$6,000 exemption consistent with current law and updated data. The 2008 Assembly provided \$139.6 million to fund the car tax phase-out for FY 2009, and adopted the Governor's recommendation to permanently reduce the Motor Vehicle Excise Tax reimbursements to 98.0 percent of the calculated value beginning

with FY 2008. The 2009 Assembly provided \$135.3 million to fund the program and maintained the \$6,000 exemption.

The Governor included legislation in his FY 2010 revised budget to eliminate the third and the fourth quarter reimbursements to municipalities and allow municipalities to levy a supplemental tax to capture the loss of the reimbursement for FY 2010, subject to certification from the Department of Revenue, and an affirmative vote of at least four-fifths of the full membership of the municipalities' governing body. Exemptions in FY 2011 and thereafter would be subject to the annual appropriations act.

The Assembly did not take action on the Governor's budget and the third quarter payment, which was due on February 1, was made. The Assembly provided a total of \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010.

For fiscal year 2011 and thereafter, the Assembly enacted legislation that mandates a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation further allows municipalities to provide an additional exemption that would not be subject to reimbursement. The Assembly removed the statutory limitation on taxing the difference in the event that the value of a vehicle is higher than assessed in the prior fiscal year. It allowed motor vehicle rates and ratios of assessment to be less than earlier levels, which were frozen. The Assembly also restored the authority for fire districts to levy a motor vehicles excise tax and excluded them from reimbursements.

The Governor recommends \$10.0 million for FY 2015 to level fund the program at the enacted amount. The Division of Municipal Finance reports that the requested distribution is based on December 2011 data. It anticipates updating planned distribution in spring 2014.

Municipal Incentive Aid. The Governor includes the enacted amount of \$5.0 million for the Municipal Incentive Aid program, which encourages sustainable funding of retirement plans and reduction of unfunded liabilities.

Eligibility for funding differs in FY 2014, the first year of the program, and FY 2015 and FY 2016, the following two years. For FY 2014, a municipality may receive funds under one of three conditions: first, if it has no locally administered pension plan; secondly, if it has submitted an approved Funding Improvement Plan, if required, no later than June 1, 2013; or thirdly, if its locally administered plan is not required to submit a Funding Improvement Plan. For FY 2015 and FY 2016, a municipality that still has a local plan that did not require a Funding Improvement Plan must be funding 100 percent of its annual required contribution. Those with no local plans or those implementing Funding Improvement Plans would continue to be eligible. Municipalities required to implement a Funding Improvement Plan must do so within 18 months after certification that the plan is in critical status.

For FY 2014, 38 municipalities qualify for the program. Coventry did not submit its funding improvement plan by the deadline. Its allocation will be redistributed to the qualifying communities in May 2014. The Governor includes distribution to all 39 municipalities for FY 2015.

General Revenue Sharing. Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year have been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. In the FY 1999 budget, the General Assembly began increasing the percentage of revenues dedicated to the General Revenue Sharing program as a mechanism for reimbursing municipalities for lost local revenues from the ten-year phase-

out of the inventory tax. The law also provided that the percentage of second prior year tax collections dedicated to the program would increase on an annual basis through FY 2011 to a total of 4.7 percent.

The 2005 Assembly provided that 6.25 percent of the state share of video lottery net terminal income solely attributable to new machines at Lincoln and Newport be dedicated to the program, up to a maximum of \$10.0 million to non-distressed communities based on the proportion of the general revenue sharing distribution for that year. The 2006 Assembly converted that dedication to 0.10 percent of all net terminal income up to a maximum of \$10.0 million to non-distressed communities.

The 2006 Assembly fixed the FY 2007 appropriation at \$64.7 million to which the video lottery terminal revenues would be added for FY 2007 only and did not concur with the Governor's proposal to freeze the amount at 3.0 percent of the second prior year's general tax revenues, ending the phase-up to 4.7 percent. For FY 2008 the amount would be based upon 3.7 percent of the second prior year's general tax revenues.

The 2007 Assembly concurred with the Governor's proposal to freeze communities' FY 2008 aid payments at the FY 2007 level, and fix future amounts at 3.0 percent of tax revenues ending the phase-up. The 2008 Assembly provided \$55.1 million and changed the reference year data used for the distribution formula to be the same as used for FY 2008. This assured that each community received the same amount of aid in FY 2009 as it did in FY 2008.

The Governor's FY 2009 revised budget proposed suspending the state's appropriation for the General Revenue Sharing payments to communities in FY 2009. He then submitted an amendment to restore \$31.0 million with the availability of federal stimulus funds. The Assembly did not concur and provided \$25.0 million to fund the program in FY 2009, distributed proportionally on the same basis as the original enactment.

The 2009 Assembly concurred with the Governor's recommendation to subject the program permanently to appropriation and delete the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter. No funding was provided in FY 2010. It has not been funded since.

The Governor does not recommend funding this program in FY 2015.

Restricted Use State Aid

Library Resource Sharing Aid. State law requires that the state provide financial support to public libraries, which remained relatively stable for the period from FY 1991 through FY 1997. In FY 1998, the General Assembly appropriated an additional \$1.0 million to begin increasing funding to meet the requirement of 25.0 percent for the grants-in-aid program by FY 2000. The statute requires an amount equal to 25.0 percent of second prior fiscal year local expenditures for library services as grants-in-aid. The same requirement applies to institutional libraries, but that funding is not shown in these tables as local aid. Additionally, the state is required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network.

The 2003 Assembly amended the legislation to allow Providence Public Library endowment funding to be considered local effort with the annual amount that may be included for endowment funds capped at 6.0 percent of the three-year average market value of the endowment, calculated at the end of the calendar year. The 2004 Assembly further amended the laws to extend that to all libraries.

The 2008 Assembly concurred with the Governor's recommendation to provide \$8.8 million for FY 2009 library operating aid. The Assembly also enacted legislation to reduce the maintenance of effort requirement for municipalities to provide library services to at least 80.0 percent of the previous year for just FY 2009. The 2009 Assembly enacted legislation to continue allowing communities to meet the 80.0 percent maintenance of effort for libraries to qualify for state library aid.

The chief library officer annually determines each municipality's compliance with the maintenance of effort by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. In the event that a municipality has failed to meet the maintenance of effort requirement, the chief library officer will notify the municipality that it is not eligible for a state grant in aid. A municipality that is deemed ineligible may request a waiver from the requirement by submitting a letter to the chief library officer.

The Governor recommends \$8.8 million, which is the enacted amount but \$1.0 million or 11.4 percent less than current law requirements. Current law allows 25.0 percent reimbursement of second prior year expenditures.

Library Construction Aid. The Rhode Island General Laws establish a library construction aid program, which is administered by the Office of Library and Information Services. The statute provides the authority to make grants-in-aid to a municipality or a free public library for the construction or capital improvements of any free public library designed to provide better services to the public.

The state grants-in-aid are limited to a maximum of 50.0 percent of the total eligible costs as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. During the repayment period, the state share can include the costs of interest on the state share of the project costs if the municipality or free public library was required to borrow the state's share of the project costs.

Reimbursable costs also include any cost of borrowing for the state share during the construction period. Examples of costs not eligible for state funds include the cost of fundraising by the municipality or the free library or the costs of public relations. In a case where the library is a component of local government, payments are made to the municipality. Payments for free public libraries are made directly to the libraries.

Library construction aid is considered indirect aid for two reasons. Firstly, payments are not necessarily made to a local government; some are made directly to free public libraries. Thus, funding cannot entirely be considered traditional local aid. Secondly, funds are targeted for specific use and are not for general support of the local government or free library budget.

The 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects through July 1, 2014. Applications will be accepted for FY 2015.

The Governor provides full funding of \$2.3 million in FY 2014 and FY 2015 to fund library construction aid.

State and Municipal Police Incentive Pay. The Rhode Island General Laws establish the Municipal Police Incentive Pay program. The purpose is to provide financial compensation to members of the state, city and town police departments, sheriffs and deputy sheriffs, members of the Rhode Island

marshals' unit, Rhode Island Capitol Police, park police and conservation officers of the Division of Enforcement in the Department of Environmental Management, and the state fire marshal and deputy fire marshals who have earned college credits in the field of police work.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program.

Prior to FY 2009, the state paid a stipend to police officers who have earned college credits in the field of police work. In response to Governor Carcieri's proposal to eliminate the programs, the 2009 Assembly maintained it in the general laws; however, provided no funding. Municipalities are still required to reimburse police officers for eligible expenses incurred in earning the credits, which were \$0.5 million in FY 2009 and \$0.7 million in FY 2010.

The Governor does not recommend reinstating funding for this program for FY 2015.

Municipal Firefighters Incentive Pay. The Rhode Island General Laws establish a Municipal Firefighters Incentive Pay program. The purpose of this program is to provide financial compensation to members of the municipal fire departments and fire districts, the Cumberland Rescue Department and emergency service technicians of the Town of Lincoln who have furthered their education at the college level.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program.

Prior to FY 2009, the state paid a stipend to firefighters who have earned college credits in the field of fire science. In response to Governor Carcieri's proposal to eliminate the program, the 2009 Assembly maintained it in the general laws; however, provided no funding. Current law does not require that municipalities reimburse firefighters for eligible expenses; however, some municipalities do so voluntarily and those expenses were \$45,000 in FY 2009.

The Governor does not recommend reinstating funding for this program for FY 2015.

Property Valuation Reimbursement. Section 44-5-11.6 of the Rhode Island General Laws requires that municipalities update property valuations using statistical techniques every third and sixth year after a full revaluation. The statute also requires that the state reimburse municipalities for 100 percent of the costs for the first update at a rate not to exceed \$20 per parcel. Reimbursement for future updates declines based on a defined schedule in the General Laws.

The Governor recommends \$0.5 million for FY 2014, including \$86,396 of unused funds reappropriated from FY 2013 to reimburse Providence and \$0.6 million for FY 2015 to reimburse communities conducting property valuation updates. Barrington, Cranston, and East Greenwich are scheduled to conduct property revaluations in FY 2014 and East Providence, Warren, and Warwick are conducting property revaluations in FY 2015.

Actuarial Valuations. Pension legislation adopted by the 2011 Assembly requires municipalities administering local plans to complete actuarial reviews and to submit them to the study commission, with the state reimbursing communities for half the cost. The Governor included legislation in Article 26 of 2012-H 7323, clarifying that the state will reimburse municipalities for half of the cost of the

actuarial valuations that are due on April 1, 2012. He included \$234,000 from general revenues for FY 2012; subsequently, he reappropriated \$61,417 to FY 2013, representing unexpended resources from FY 2012. Subsequent annual actuarial valuations will not be reimbursed by the state.

Oversight Reimbursement. Legislation enacted by the 2013 Assembly requires that municipalities, which have improved in financial standing so as to no longer require a budget commission or receiver, appoint an executive officer to act as a chief financial administrator. The state is required to reimburse half the cost of the advisors. For FY 2014 and FY 2015, Central Falls and East Providence are required to contract a financial officer. The Governor recommends \$0.1 million for both FY 2014 and FY 2015 to reimburse municipalities for anticipated costs for a financial officer.

Pass-Through Revenues

Public Service Corporation Tax. The FY 2014 and FY 2015 budgets assume the state will collect \$13.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The Assembly concurred with the Governor's proposal included in 2009-H 5019 Substitute A, as amended to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rates. Annual tax collections had dropped from \$16.6 million in FY 2004 to \$10.2 million in FY 2010.

Under Section 44-13-13 of the Rhode Island General Laws, the tangible personal property of telegraph, cable, and telecommunications corporations and express corporations used exclusively in conducting business for the corporation is exempt from local taxation, but is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment.

By March 1 of each year, companies are required to declare the value of their tangible personal property to the Division of Taxation. The Division of Taxation uses this data to calculate the taxes due from each company. The calculation is based on the average assessment ratios in the state and the average property tax rate. Funds are collected by the Division and distributed as prescribed in statute. The statewide average assessment ratio is the total statewide assessment divided by the total book value. The average property tax is calculated as the total statewide levy divided by the statewide assessment. Funds collected by the state from this tax are distributed to cities and towns on the basis of the ratio of city or town population to the population of the state as a whole. It should be noted that, while this category of state aid is displayed in the tables later in this report, the funds are not appropriated by the General Assembly.

Other Local Revenues

Meals and Beverage. The 2003 Assembly enacted a one percent additional tax on gross receipts from sale of food and beverages sold in or from eating and drinking establishments effective August 1, 2003. Meals are defined as sold ready for immediate consumption, regardless of when or where consumed. Eating establishments are defined to include all entities preparing these foods, including caterers. The Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered. Distributions for FY 2013 totaled \$21.4 million; they were \$21.0 million and \$19.4 million for FY 2012 and FY 2011, respectively.

The 2013 Assembly adopted legislation in preparation for the passage of federal legislation empowering states to require the collection and remittance of sales and use taxes by remote sellers. Effective the

date permitted by federal legislation, local meals and beverage tax will increase from 1.0 percent to 1.5 percent. The Governor's FY 2015 budget includes legislation to reverse these provisions.

Hotel Tax. The 2004 Assembly enacted a one percent additional tax on occupancy charges effective January 1, 2005. The tax is paid by anyone receiving monetary charge for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised as or held out to the public to be a space where living quarters are supplied for pay to transient use (generally less than 31 days). The Division of Taxation collects the tax for all except the City of Newport and distributes it to the city or town where the occupancy occurred. Distributions for FY 2013 totaled \$3.0 million; they were \$2.1 million and \$1.9 million for FY 2012 and FY 2011, respectively.

The 2013 Assembly adopted legislation in preparation for the passage of federal legislation empowering states to require the collection and remittance of sales and use taxes by remote sellers. Effective the date permitted by federal legislation, local meals and beverage tax will increase from 1.0 percent to 1.5 percent. The Governor's FY 2015 budget includes legislation to reverse these provisions.

For additional information, the tables at the end of this section show recent distribution from these sources.

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax and Municipal Incentive Aid

Community	FY 2014 Enacted	FY 2014 Gov. Rev.*	Revised Difference	FY 2014 Gov. Adjusted*
Barrington	\$ 328,398	\$ 344,716	\$ 16,318	\$ 347,392
Bristol	918,043	904,091	(13,953)	907,859
Burrillville	398,460	380,657	(17,803)	383,256
Central Falls	379,693	374,460	(5,233)	377,616
Charlestown	77,455	79,956	2,501	81,236
Coventry*	378,558	235,735	(142,823)	235,735
Cranston	8,901,839	8,905,659	3,820	8,918,780
Cumberland	369,142	394,284	25,142	399,722
East Greenwich	388,218	357,790	(30,428)	359,935
East Providence	849,050	885,140	36,090	892,846
Exeter	114,339	120,355	6,016	121,416
Foster	90,357	77,735	(12,622)	78,481
Glocester	139,534	146,081	6,547	147,674
Hopkinton	101,455	105,212	3,757	106,542
Jamestown	61,454	49,386	(12,068)	50,269
Johnston	510,003	540,531	30,528	545,220
Lincoln	332,787	309,516	(23,271)	312,958
Little Compton	40,279	31,274	(9,005)	31,844
Middletown	160,616	150,165	(10,451)	152,810
Narragansett	170,727	141,395	(29,332)	143,995
Newport	1,351,526	1,302,357	(49,169)	1,306,367
New Shoreham	12,466	8,610	(3,856)	8,765
North Kingstown	350,322	325,229	(25,093)	329,554
North Providence	1,890,947	1,919,247	28,300	1,924,487
North Smithfield	224,706	238,191	13,485	240,123
Pawtucket	2,743,041	2,784,134	41,093	2,795,772
Portsmouth	187,780	167,029	(20,751)	169,852
Providence	31,217,636	31,239,340	21,704	31,268,382
Richmond	93,903	97,725	3,822	98,978
Scituate	173,223	123,883	(49,340)	125,564
Smithfield	914,142	915,256	1,114	918,754
South Kingstown	466,884	445,896	(20,988)	450,858
Tiverton	181,942	138,183	(43,759)	140,743
Warren	131,696	137,781	6,085	139,530
Warwick	2,767,867	2,890,753	122,886	2,904,313
Westerly	454,558	432,001	(22,557)	435,728
West Greenwich	78,964	81,858	2,894	82,840
West Warwick	1,027,849	1,011,601	(16,249)	1,016,371
Woonsocket	1,485,012	1,505,535	20,523	1,512,297
Total	\$ 60,464,867	\$ 60,298,741	\$ (166,126)	\$ 60,464,867

*Coventry's \$0.2 million Municipal Incentive Aid allocation will be distributed to the rest of the communities in May 2014.

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax and Municipal Incentive Aid

Community	FY 2014 Enacted	FY 2015 Gov. Rec.	FY 2015 Rec. to Enacted	FY 2015 Rec. to FY 2014 Rev.
Barrington	\$ 328,398	\$ 344,716	\$ 16,318	\$ -
Bristol	918,043	904,091	(13,953)	-
Burrillville	398,460	380,657	(17,803)	-
Central Falls	379,693	401,768	22,075	27,308
Charlestown	77,455	79,956	2,501	-
Coventry*	378,558	401,861	23,303	166,126
Cranston	8,901,839	7,745,340	(1,156,500)	(1,160,320)
Cumberland	369,142	394,284	25,142	-
East Greenwich	388,218	357,790	(30,428)	-
East Providence	849,050	885,140	36,090	-
Exeter	114,339	120,355	6,016	-
Foster	90,357	77,735	(12,622)	-
Glocester	139,534	146,081	6,547	-
Hopkinton	101,455	105,212	3,757	-
Jamestown	61,454	49,386	(12,068)	-
Johnston	510,003	540,531	30,528	-
Lincoln	332,787	309,516	(23,271)	-
Little Compton	40,279	31,274	(9,005)	-
Middletown	160,616	150,165	(10,451)	-
Narragansett	170,727	141,395	(29,332)	-
Newport	1,351,526	1,302,357	(49,169)	-
New Shoreham	12,466	8,610	(3,856)	-
North Kingstown	350,322	325,229	(25,093)	-
North Providence	1,890,947	2,021,131	130,184	101,884
North Smithfield	224,706	238,191	13,485	-
Pawtucket	2,743,041	2,919,534	176,494	135,401
Portsmouth	187,780	167,029	(20,751)	-
Providence	31,217,636	31,881,531	663,895	642,191
Richmond	93,903	97,725	3,822	-
Scituate	173,223	123,883	(49,340)	-
Smithfield	914,142	915,256	1,114	-
South Kingstown	466,884	445,896	(20,988)	-
Tiverton	181,942	138,183	(43,759)	-
Warren	131,696	137,781	6,085	-
Warwick	2,767,867	2,890,753	122,886	-
Westerly	454,558	432,001	(22,557)	-
West Greenwich	78,964	81,858	2,894	-
West Warwick	1,027,849	1,118,921	91,071	107,320
Woonsocket	1,485,012	1,651,752	166,739	146,217
Total	\$ 60,464,867	\$ 60,464,867	\$ -	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2013</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	289,707	170,622	170,622	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	1,201,480	2,320,642	2,320,642	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,025,738	846,788	846,788	-
North Smithfield	-	-	-	-
Pawtucket	1,416,751	1,252,008	1,252,008	-
Portsmouth	-	-	-	-
Providence	4,804,334	4,429,560	4,429,560	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	817,916	675,775	675,775	-
Woonsocket	828,531	689,062	689,062	-
Total	\$ 10,384,458	\$ 10,384,458	\$ 10,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec. to FY 2014 Rev.</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	170,622	197,930	27,308	27,308
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	2,320,642	1,160,322	(1,160,320)	(1,160,320)
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	846,788	948,672	101,884	101,884
North Smithfield	-	-	-	-
Pawtucket	1,252,008	1,387,409	135,401	135,401
Portsmouth	-	-	-	-
Providence	4,429,560	5,071,751	642,191	642,191
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	675,775	783,095	107,320	107,320
Woonsocket	689,062	835,279	146,217	146,217
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2013</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ 38,827	\$ 13,387	\$ 13,387	\$ -
Bristol	672,847	692,850	692,849	(1)
Burrillville	108,949	112,264	112,265	1
Central Falls	22,986	24,639	24,638	(1)
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,554,377	5,236,468	5,236,467	(1)
Cumberland	96	101	101	-
East Greenwich	164,567	204,946	204,947	1
East Providence	163,162	176,390	176,390	-
Exeter	-	-	-	-
Foster	435	372	372	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	905,365	1,101,494	1,101,495	1
New Shoreham	-	-	-	-
North Kingstown	1,859	1,941	1,941	-
North Providence	528,650	544,065	544,065	-
North Smithfield	-	-	-	-
Pawtucket	398,662	472,601	472,601	-
Portsmouth	-	-	-	-
Providence	23,455,411	24,227,138	24,227,138	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	497,049	537,747	537,747	-
South Kingstown	151,238	154,721	154,721	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,150,336	1,226,062	1,226,062	-
Westerly	118,381	121,833	121,833	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	147,213	231,391	231,391	-
Total	\$ 33,080,409	\$ 35,080,409	\$ 35,080,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.*</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec. to FY 2014 Rev.</i>
Barrington	\$ 13,387	\$ 13,387	\$ -	\$ -
Bristol	692,850	692,849	(1)	-
Burrillville	112,264	112,265	1	-
Central Falls	24,639	24,638	(1)	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,236,468	5,236,467	(1)	-
Cumberland	101	101	-	-
East Greenwich	204,946	204,947	1	-
East Providence	176,390	176,390	-	-
Exeter	-	-	-	-
Foster	372	372	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,101,494	1,101,495	1	-
New Shoreham	-	-	-	-
North Kingstown	1,941	1,941	-	-
North Providence	544,065	544,065	-	-
North Smithfield	-	-	-	-
Pawtucket	472,601	472,601	-	-
Portsmouth	-	-	-	-
Providence	24,227,138	24,227,138	-	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	537,747	537,747	-	-
South Kingstown	154,721	154,721	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,226,062	1,226,062	-	-
Westerly	121,833	121,833	-	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	231,391	231,391	-	-
Total	\$ 35,080,409	\$ 35,080,409	\$ -	\$ -

*Distribution based on 2013 data; will change when updated in spring 2014.

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2013</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev. *</i>	<i>Revised Difference</i>
Barrington	\$ 231,794	\$ 237,138	\$ 253,456	\$ 16,318
Bristol	114,541	115,531	101,579	(13,952)
Burrillville	203,823	210,552	192,748	(17,804)
Central Falls	88,012	92,588	87,356	(5,232)
Charlestown	39,047	40,195	42,696	2,501
Coventry	215,587	212,432	235,735	23,303
Cranston	884,157	962,964	966,785	3,821
Cumberland	205,803	210,819	235,961	25,142
East Greenwich	119,341	120,869	90,440	(30,429)
East Providence	443,114	448,434	484,524	36,090
Exeter	81,833	83,465	89,481	6,016
Foster	66,251	68,286	55,664	(12,622)
Glocester	91,181	93,156	99,703	6,547
Hopkinton	60,808	62,734	66,491	3,757
Jamestown	35,227	35,751	23,683	(12,068)
Johnston	369,557	373,565	404,093	30,528
Lincoln	230,071	232,641	209,370	(23,271)
Little Compton	23,382	23,665	14,660	(9,005)
Middletown	82,452	83,649	73,198	(10,451)
Narragansett	94,780	95,050	65,718	(29,332)
Newport	130,825	133,343	84,173	(49,170)
New Shoreham	7,459	7,945	4,089	(3,856)
North Kingstown	220,705	222,551	197,458	(25,093)
North Providence	343,802	347,631	375,931	28,300
North Smithfield	166,413	168,480	181,965	13,485
Pawtucket	674,119	679,794	720,887	41,093
Portsmouth	102,817	105,623	84,872	(20,751)
Providence	1,773,136	1,715,886	1,737,590	21,704
Richmond	56,009	57,421	61,243	3,822
Scituate	120,922	124,283	74,943	(49,340)
Smithfield	271,301	274,622	275,736	1,114
South Kingstown	165,446	167,774	146,786	(20,988)
Tiverton	104,746	107,432	63,673	(43,759)
Warren	79,440	80,778	86,863	6,085
Warwick	1,276,473	1,147,235	1,270,121	122,886
Westerly	208,522	224,286	201,730	(22,557)
West Greenwich	48,709	50,367	53,261	2,894
West Warwick	213,265	213,269	197,021	(16,249)
Woonsocket	355,130	367,796	388,319	20,523
Total	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -

*Estimate as of December 31, 2011. Distribution will be revised in spring 2014, based on December 31, 2012 data.

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.*</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec. to FY 2014 Rev.</i>
Barrington	\$ 237,138	\$ 253,456	\$ 16,318	\$ -
Bristol	115,531	101,579	(13,952)	-
Burrillville	210,552	192,748	(17,804)	-
Central Falls	92,588	87,356	(5,232)	-
Charlestown	40,195	42,696	2,501	-
Coventry	212,432	235,735	23,303	-
Cranston	962,964	966,785	3,821	-
Cumberland	210,819	235,961	25,142	-
East Greenwich	120,869	90,440	(30,429)	-
East Providence	448,434	484,524	36,090	-
Exeter	83,465	89,481	6,016	-
Foster	68,286	55,664	(12,622)	-
Glocester	93,156	99,703	6,547	-
Hopkinton	62,734	66,491	3,757	-
Jamestown	35,751	23,683	(12,068)	-
Johnston	373,565	404,093	30,528	-
Lincoln	232,641	209,370	(23,271)	-
Little Compton	23,665	14,660	(9,005)	-
Middletown	83,649	73,198	(10,451)	-
Narragansett	95,050	65,718	(29,332)	-
Newport	133,343	84,173	(49,170)	-
New Shoreham	7,945	4,089	(3,856)	-
North Kingstown	222,551	197,458	(25,093)	-
North Providence	347,631	375,931	28,300	-
North Smithfield	168,480	181,965	13,485	-
Pawtucket	679,794	720,887	41,093	-
Portsmouth	105,623	84,872	(20,751)	-
Providence	1,715,886	1,737,590	21,704	-
Richmond	57,421	61,243	3,822	-
Scituate	124,283	74,943	(49,340)	-
Smithfield	274,622	275,736	1,114	-
South Kingstown	167,774	146,786	(20,988)	-
Tiverton	107,432	63,673	(43,759)	-
Warren	80,778	86,863	6,085	-
Warwick	1,147,235	1,270,121	122,886	-
Westerly	224,286	201,730	(22,557)	-
West Greenwich	50,367	53,261	2,894	-
West Warwick	213,269	197,021	(16,249)	-
Woonsocket	367,796	388,319	20,523	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -

*Estimate as of December 31, 2011. Distribution will be revised in spring 2014, based on December 31, 2012 data.

Municipal Incentive Aid

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev.</i>	<i>Redistribution</i>	<i>FY 2014 Gov. Adjusted</i>
Barrington	\$ 77,873	\$ 77,873	\$ 2,676	\$ 80,549
Bristol	109,663	109,663	3,769	113,431
Burrillville	75,644	75,644	2,600	78,243
Central Falls	91,844	91,844	3,156	95,000
Charlestown	37,260	37,260	1,280	38,540
Coventry*	166,126	-	-	-
Cranston	381,766	381,766	13,120	394,886
Cumberland	158,223	158,223	5,438	163,660
East Greenwich	62,403	62,403	2,145	64,548
East Providence	224,226	224,226	7,706	231,932
Exeter	30,874	30,874	1,061	31,935
Foster	21,699	21,699	746	22,445
Glocester	46,378	46,378	1,594	47,971
Hopkinton	38,721	38,721	1,331	40,051
Jamestown	25,703	25,703	883	26,586
Johnston	136,438	136,438	4,689	141,127
Lincoln	100,146	100,146	3,442	103,588
Little Compton	16,614	16,614	571	17,184
Middletown	76,967	76,967	2,645	79,612
Narragansett	75,677	75,677	2,601	78,277
Newport	116,689	116,689	4,010	120,699
New Shoreham	4,521	4,521	155	4,676
North Kingstown	125,831	125,831	4,324	130,155
North Providence	152,463	152,463	5,240	157,703
North Smithfield	56,226	56,226	1,932	58,158
Pawtucket	338,638	338,638	11,638	350,275
Portsmouth	82,157	82,157	2,823	84,980
Providence	845,052	845,052	29,042	874,094
Richmond	36,482	36,482	1,254	37,735
Scituate	48,940	48,940	1,682	50,621
Smithfield	101,774	101,774	3,498	105,271
South Kingstown	144,389	144,389	4,962	149,351
Tiverton	74,510	74,510	2,561	77,070
Warren	50,918	50,918	1,750	52,667
Warwick	394,570	394,570	13,560	408,130
Westerly	108,439	108,439	3,727	112,166
West Greenwich	28,597	28,597	983	29,580
West Warwick	138,805	138,805	4,770	143,575
Woonsocket	196,763	196,763	6,762	203,525
Total	\$ 5,000,000	\$ 4,833,874	\$ 166,126	\$ 5,000,000

*Allocation will be distributed amongst qualifying municipalities in May 2014.

Municipal Incentive Aid

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec. to Gov. Adjusted</i>
Barrington	\$ 77,873	\$ 77,873	\$ -	\$ (2,676)
Bristol	109,663	109,663	-	(3,769)
Burrillville	75,644	75,644	-	(2,600)
Central Falls	91,844	91,844	-	(3,156)
Charlestown	37,260	37,260	-	(1,280)
Coventry*	166,126	166,126	-	166,126
Cranston	381,766	381,766	-	(13,120)
Cumberland	158,223	158,223	-	(5,438)
East Greenwich	62,403	62,403	-	(2,145)
East Providence	224,226	224,226	-	(7,706)
Exeter	30,874	30,874	-	(1,061)
Foster	21,699	21,699	-	(746)
Glocester	46,378	46,378	-	(1,594)
Hopkinton	38,721	38,721	-	(1,331)
Jamestown	25,703	25,703	-	(883)
Johnston	136,438	136,438	-	(4,689)
Lincoln	100,146	100,146	-	(3,442)
Little Compton	16,614	16,614	-	(571)
Middletown	76,967	76,967	-	(2,645)
Narragansett	75,677	75,677	-	(2,601)
Newport	116,689	116,689	-	(4,010)
New Shoreham	4,521	4,521	-	(155)
North Kingstown	125,831	125,831	-	(4,324)
North Providence	152,463	152,463	-	(5,240)
North Smithfield	56,226	56,226	-	(1,932)
Pawtucket	338,638	338,638	-	(11,638)
Portsmouth	82,157	82,157	-	(2,823)
Providence	845,052	845,052	-	(29,042)
Richmond	36,482	36,482	-	(1,254)
Scituate	48,940	48,940	-	(1,682)
Smithfield	101,774	101,774	-	(3,498)
South Kingstown	144,389	144,389	-	(4,962)
Tiverton	74,510	74,510	-	(2,561)
Warren	50,918	50,918	-	(1,750)
Warwick	394,570	394,570	-	(13,560)
Westerly	108,439	108,439	-	(3,727)
West Greenwich	28,597	28,597	-	(983)
West Warwick	138,805	138,805	-	(4,770)
Woonsocket	196,763	196,763	-	(6,762)
Total	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2013</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ 334,107	\$ 341,149	\$ 341,148	\$ (1)
Bristol	118,895	129,784	129,784	-
Burrillville	125,987	129,564	129,564	-
Central Falls	47,079	14,022	14,022	-
Charlestown	47,128	47,837	47,837	-
Coventry	207,369	215,315	215,315	-
Cranston	524,404	541,181	541,181	-
Cumberland	264,240	268,332	268,332	-
East Greenwich	114,121	121,963	121,962	(1)
East Providence	416,425	403,334	403,334	-
Exeter	40,082	41,703	41,703	-
Foster	29,625	31,569	31,569	-
Glocester	69,879	71,674	71,674	-
Hopkinton	29,999	34,084	34,084	-
Jamestown	79,139	80,467	80,467	-
Johnston	111,963	120,380	120,380	-
Lincoln	189,340	191,841	191,841	-
Little Compton	28,078	29,670	29,670	-
Middletown	128,935	135,566	135,566	-
Narragansett	121,555	123,055	123,055	-
Newport	374,002	378,526	378,526	-
New Shoreham	73,011	78,316	78,316	-
North Kingstown	257,842	263,710	263,709	(1)
North Providence	164,384	171,750	171,750	-
North Smithfield	62,569	63,341	63,341	-
Pawtucket	369,002	315,245	315,245	-
Portsmouth	102,367	103,446	103,446	-
Providence*	2,292,590	2,257,761	2,257,766	5
Richmond	24,829	26,139	26,139	-
Scituate	94,008	95,169	95,169	-
Smithfield	265,315	269,659	269,659	-
South Kingstown	196,594	203,946	203,945	(1)
Tiverton	91,928	94,109	94,109	-
Warren	51,832	53,561	53,561	-
Warwick	662,952	688,368	688,368	-
Westerly	270,491	265,543	265,542	(1)
West Greenwich	26,290	27,126	27,126	-
West Warwick	171,858	147,770	147,770	-
Woonsocket	193,184	197,423	197,423	-
Total	\$ 8,773,398	\$ 8,773,398	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec. to FY 2014 Rev</i>
Barrington	\$ 341,149	\$ 341,488	\$ 339	\$ 340
Bristol	129,784	139,595	9,811	9,811
Burrillville	129,564	141,022	11,458	11,458
Central Falls	14,022	17,569	3,547	3,547
Charlestown	47,837	47,766	(71)	(71)
Coventry	215,315	222,474	7,159	7,159
Cranston	541,181	539,079	(2,102)	(2,102)
Cumberland	268,332	273,112	4,780	4,780
East Greenwich	121,963	121,085	(878)	(877)
East Providence	403,334	363,025	(40,309)	(40,309)
Exeter	41,703	45,664	3,961	3,961
Foster	31,569	31,550	(19)	(19)
Glocester	71,674	71,631	(43)	(43)
Hopkinton	34,084	34,685	601	601
Jamestown	80,467	87,697	7,230	7,230
Johnston	120,380	124,729	4,349	4,349
Lincoln	191,841	191,018	(823)	(823)
Little Compton	29,670	30,298	628	628
Middletown	135,566	137,973	2,407	2,407
Narragansett	123,055	122,983	(72)	(72)
Newport	378,526	381,739	3,213	3,213
New Shoreham	78,316	78,270	(46)	(46)
North Kingstown	263,710	273,440	9,730	9,731
North Providence	171,750	176,242	4,492	4,492
North Smithfield	63,341	63,304	(37)	(37)
Pawtucket	315,245	329,493	14,248	14,248
Portsmouth	103,446	103,554	108	108
Providence*	2,257,761	2,207,807	(49,954)	(49,959)
Richmond	26,139	26,531	392	392
Scituate	95,169	95,113	(56)	(56)
Smithfield	269,659	269,275	(384)	(384)
South Kingstown	203,946	199,345	(4,601)	(4,600)
Tiverton	94,109	102,842	8,733	8,733
Warren	53,561	53,916	355	355
Warwick	688,368	691,943	3,575	3,575
Westerly	265,543	255,839	(9,704)	(9,703)
West Greenwich	27,126	28,154	1,028	1,028
West Warwick	147,770	155,644	7,874	7,874
Woonsocket	197,423	196,505	(919)	(919)
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ -

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2013</i>	<i>FY 2014 Enacted</i>	<i>FY 2014 Gov. Rev.</i>	<i>FY 2015 Gov. Rec.</i>
Barrington	\$ 196,291	\$ 205,617	\$ 205,617	\$ 205,617
Bristol	276,252	289,555	289,555	289,555
Burrillville	192,019	199,730	199,730	199,730
Central Falls	233,190	242,507	242,507	242,507
Charlestown	94,198	98,381	98,381	98,381
Coventry	421,394	438,642	438,642	438,642
Cranston	967,459	1,008,020	1,008,020	1,008,020
Cumberland	403,245	417,774	417,774	417,774
East Greenwich	158,212	164,770	164,770	164,770
East Providence	566,091	592,051	592,051	592,051
Exeter	77,325	81,520	81,520	81,520
Foster	55,433	57,295	57,295	57,295
Glocester	117,293	122,456	122,456	122,456
Hopkinton	98,543	102,239	102,239	102,239
Jamestown	65,049	67,867	67,867	67,867
Johnston	346,235	360,253	360,253	360,253
Lincoln	253,999	264,428	264,428	264,428
Little Compton	42,026	43,867	43,867	43,867
Middletown	194,366	203,225	203,225	203,225
Narragansett	190,972	199,818	199,818	199,818
Newport	296,928	308,107	308,107	308,107
New Shoreham	12,649	11,937	11,937	11,937
North Kingstown	318,759	332,245	332,245	332,245
North Providence	386,059	402,567	402,567	402,567
North Smithfield	144,023	148,460	148,460	148,460
Pawtucket	856,267	894,145	894,145	894,145
Portsmouth	209,277	216,929	216,929	216,929
Providence	2,142,738	2,231,291	2,231,291	2,231,291
Richmond	92,766	96,326	96,326	96,326
Scituate	124,310	129,220	129,220	129,220
Smithfield	257,910	268,724	268,724	268,724
South Kingstown	368,741	381,247	381,247	381,247
Tiverton	189,913	196,736	196,736	196,736
Warren	127,704	134,444	134,444	134,444
Warwick	994,959	1,041,829	1,041,829	1,041,829
Westerly	274,242	286,324	286,324	286,324
West Greenwich	73,835	75,508	75,508	75,508
West Warwick	351,314	366,504	366,504	366,504
Woonsocket	495,674	519,536	519,536	519,536
Total	\$ 12,667,660	\$ 13,202,094	\$ 13,202,094	\$ 13,202,094

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2014 Enacted</i>	<i>FY 2015 Gov. Rec.</i>	<i>FY 2015 Rec. to Enacted</i>	<i>FY 2015 Rec to FY 2014 Rev.</i>
Barrington	\$ 205,617	\$ 205,617	\$ -	\$ -
Bristol	289,555	289,555	-	-
Burrillville	199,730	199,730	-	-
Central Falls	242,507	242,507	-	-
Charlestown	98,381	98,381	-	-
Coventry	438,642	438,642	-	-
Cranston	1,008,020	1,008,020	-	-
Cumberland	417,774	417,774	-	-
East Greenwich	164,770	164,770	-	-
East Providence	592,051	592,051	-	-
Exeter	81,520	81,520	-	-
Foster	57,295	57,295	-	-
Glocester	122,456	122,456	-	-
Hopkinton	102,239	102,239	-	-
Jamestown	67,867	67,867	-	-
Johnston	360,253	360,253	-	-
Lincoln	264,428	264,428	-	-
Little Compton	43,867	43,867	-	-
Middletown	203,225	203,225	-	-
Narragansett	199,818	199,818	-	-
Newport	308,107	308,107	-	-
New Shoreham	11,937	11,937	-	-
North Kingstown	332,245	332,245	-	-
North Providence	402,567	402,567	-	-
North Smithfield	148,460	148,460	-	-
Pawtucket	894,145	894,145	-	-
Portsmouth	216,929	216,929	-	-
Providence	2,231,291	2,231,291	-	-
Richmond	96,326	96,326	-	-
Scituate	129,220	129,220	-	-
Smithfield	268,724	268,724	-	-
South Kingstown	381,247	381,247	-	-
Tiverton	196,736	196,736	-	-
Warren	134,444	134,444	-	-
Warwick	1,041,829	1,041,829	-	-
Westerly	286,324	286,324	-	-
West Greenwich	75,508	75,508	-	-
West Warwick	366,504	366,504	-	-
Woonsocket	519,536	519,536	-	-
Total	\$ 13,202,094	\$ 13,202,094	\$ -	\$ -

Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
Barrington	\$ 135,553	\$ 135,625	\$ 135,686	\$ 137,483
Bristol	303,168	327,042	340,439	333,801
Burrillville	172,887	174,052	170,110	194,053
Central Falls	88,173	92,902	100,396	95,042
Charlestown	97,087	102,788	106,466	109,250
Coventry	333,263	331,317	359,173	353,161
Cranston	1,321,908	1,342,820	1,464,102	1,496,186
Cumberland	350,310	357,915	377,291	387,440
East Greenwich	428,133	447,265	467,401	505,899
East Providence	729,001	740,237	789,039	815,946
Exeter	71,128	72,117	73,550	77,753
Foster	17,376	15,627	14,081	14,837
Glocester	54,010	57,017	70,135	72,985
Hopkinton	43,754	43,541	47,474	51,648
Jamestown	80,395	79,350	81,039	77,397
Johnston	429,028	455,592	464,125	464,676
Lincoln	609,715	623,233	680,568	680,872
Little Compton	39,576	36,462	32,462	38,168
Middletown	561,285	565,079	609,116	601,666
Narragansett	460,758	460,945	534,213	500,618
Newport	1,526,834	1,627,651	1,833,841	1,912,423
New Shoreham	225,939	225,192	256,173	257,729
North Kingstown	419,321	424,631	463,093	462,381
North Providence	344,523	338,650	333,767	348,156
North Smithfield	160,440	156,161	181,683	195,593
Pawtucket	633,198	643,598	670,833	649,192
Portsmouth	166,628	168,433	172,717	177,469
Providence	3,961,890	4,047,090	4,443,753	4,555,807
Richmond	102,635	110,470	116,580	118,985
Scituate	52,460	53,285	60,262	67,382
Smithfield	513,546	524,556	558,121	582,110
South Kingstown	536,657	561,221	623,204	642,828
Tiverton	151,924	156,098	189,157	188,622
Warren	202,368	208,132	241,958	230,369
Warwick	2,151,135	2,130,242	2,319,661	2,338,168
Westerly	593,704	625,338	704,012	713,100
West Greenwich	95,914	101,165	97,853	103,943
West Warwick	322,737	324,975	311,829	313,596
Woonsocket	494,686	495,850	500,016	488,443
Total	\$ 18,983,046	\$ 19,383,665	\$ 20,995,381	\$ 21,355,178

Local Hotel Tax

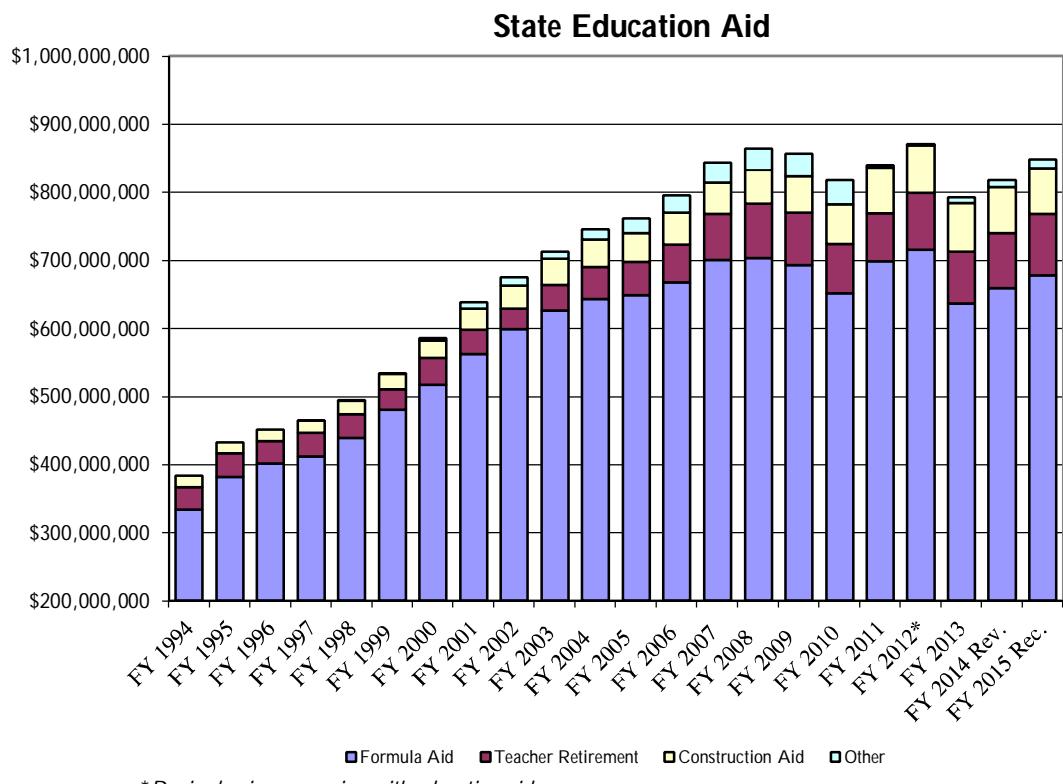
<i>City or Town</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	12,395	14,742	13,073	14,631
Burrillville	-	-	-	-
Central Falls	-	-	-	-
Charlestown	6,622	9,477	8,766	8,232
Coventry	29,063	33,396	30,491	29,526
Cranston	7,708	3,301	3,967	3,929
Cumberland	-	-	-	-
East Greenwich	133	189	158	229
East Providence	12,544	13,695	15,378	15,256
Exeter	-	-	-	-
Foster	136	74	57	38
Glocester	700	825	781	816
Hopkinton	6	-	-	-
Jamestown	3,635	3,818	4,409	4,043
Johnston	3,471	2,885	2,824	3,020
Lincoln	33,457	36,521	38,782	41,808
Little Compton	4,512	5,589	3,777	4,474
Middletown	233,101	232,431	263,989	259,616
Narragansett	30,542	37,474	34,552	34,265
Newport	-	-	-	790,380
New Shoreham	92,485	99,549	99,845	112,692
North Kingstown	5,751	9,739	28,071	31,236
North Providence	-	-	-	-
North Smithfield	844	956	1,108	1,379
Pawtucket	20,151	19,148	18,645	20,463
Portsmouth	2,769	2,967	3,627	3,943
Providence	644,561	707,255	753,159	782,201
Richmond	1,439	1,517	1,499	1,596
Scituate	1,621	1,622	1,717	1,458
Smithfield	39,029	52,094	56,265	56,971
South Kingstown	45,334	50,496	53,940	56,764
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	352,362	353,993	386,408	416,065
Westerly	71,162	116,835	143,201	163,639
West Greenwich	31,174	35,515	36,480	39,230
West Warwick	40,852	42,026	38,451	36,974
Woonsocket	16,805	17,533	23,292	27,010
Total	\$ 1,744,364	\$ 1,905,664	\$ 2,066,715	\$ 2,961,884

Education Aid

Education Aid

Summary

The Governor recommends \$980.9 million for FY 2015 total aid for local school districts. This is \$42.5 million more than enacted for FY 2014. Funding for FY 2015 includes \$810.6 million in direct distributions to local school districts, \$12.3 million in categorical funding, \$0.3 million in other aid for distribution by the Department, \$89.8 million for the state's contribution to teacher retirement, and \$67.9 million for school construction costs.



The 2010 Assembly adopted a funding formula to be effective with the FY 2012 budget. This formula distributes aid to all districts, charter schools and the state schools: Davies Career and Technical School and the Metropolitan Career and Technical School. It is based on the principle that the money follows the student and includes a core instruction amount per pupil that every student will receive a single poverty weight as a proxy for student supports, and a new state share ratio that considers the district's ability to generate revenues and its poverty concentration. There is no minimum share in the formula.

The funding plan also allows for additional support from the state to districts for high-cost special education students, career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Group home aid continues to be paid on a per-bed basis, in addition to aid paid through the funding formula.

There is redistribution of aid among communities with some getting less aid than prior years. In an effort to mitigate any losses to communities, the formula is being phased in over a ten-year period. The budget for FY 2015 represents the fourth year of the phase in.

Education Aid by Component

The Governor recommends \$980.9 million for FY 2015 education aid for distribution to districts including Central Falls, Davies Career and Technical Center, charter schools and the Metropolitan Career and Technical School. This includes teacher retirement and school housing aid as well as other formula aid for distribution by the Department of Elementary and Secondary Education. This is \$42.5 million more than enacted for FY 2014.

The following table compares the FY 2015 recommended funding for the major components of education aid to the FY 2014 enacted budget and the Governor's FY 2014 revised recommendation. It also includes the Governor's revised recommendations for FY 2014. It is followed by an explanation of each of the items in the table.

Education Aid	FY 2014 Enacted	FY 2014 Revised	Change to Enacted	FY 2015 Governor	Change to Enacted	Change to Revised
Operating Aid						
Local Districts	\$ 651,943,283	\$ 651,943,283	\$ -	\$ 677,695,190	\$ 25,751,907	\$ 25,751,907
Central Falls	38,399,591	38,399,591	-	38,845,852	446,261	446,261
Full Day Kindergarten	-	-	-	1,361,812	1,361,812	1,361,812
Met School*	11,085,049	11,085,049	-	10,536,607	(548,442)	(548,442)
Davies Career & Technical*	12,792,048	12,792,048	-	12,227,793	(564,255)	(564,255)
Charter Schools	55,148,059	55,057,929	(90,130)	63,145,163	7,997,104	8,087,234
UCAP	296,703	296,703	-	670,967	374,264	374,264
Group Homes Funding	7,131,000	7,131,000	-	6,093,000	(1,038,000)	(1,038,000)
Subtotal	\$ 776,795,733	\$ 776,705,603	\$ (90,130)	\$ 810,576,384	\$ 33,780,651	\$ 33,870,781
Categorical Funding						
High Cost Special Education	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,500,000	\$ 500,000	\$ 500,000
Career and Technical	3,000,000	3,000,000	-	3,500,000	500,000	500,000
Early Childhood	1,950,000	1,950,000	-	2,950,000	1,000,000	1,000,000
Transportation	3,263,520	3,263,520	-	4,351,360	1,087,840	1,087,840
Subtotal	\$ 9,213,520	\$ 9,213,520	\$ -	\$ 12,301,360	\$ 3,087,840	\$ 3,087,840
Set-Aside Funds						
All-Day Kindergarten Pilot Program	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
Textbook Loans	240,000	240,000	-	-	(240,000)	(240,000)
School Breakfast	270,000	270,000	-	-	(270,000)	(270,000)
Subtotal	\$ 760,000	\$ 760,000	\$ -	\$ 250,000	\$ (510,000)	\$ (510,000)
Total	\$ 786,769,253	\$ 786,679,123	\$ (90,130)	\$ 823,127,744	\$ 36,358,491	\$ 36,448,621
Other Aid						
Teacher Retirement	\$ 81,691,253	\$ 80,891,937	\$ (799,316)	\$ 89,829,396	\$ 8,138,143	\$ 8,937,459
Construction Aid	69,949,504	67,663,036	(2,286,468)	67,949,504	\$ (2,000,000)	286,468
Statewide Total	\$ 938,410,010	\$ 935,234,096	\$ (3,175,914)	\$ 980,906,644	\$ 42,496,634	\$ 45,672,548

*Only reflects operating support consistent with other school districts. Capital projects funded from Rhode Island Capital Plan funds appear in the Department of Elementary and Secondary Education's operating budget.

The funding formula calculation for FY 2015 uses June 30, 2013 student enrollment data adjusted for FY 2015 projected charter school enrollments, a per pupil core instruction amount of \$8,966 and state share ratio variables updated with June 30, 2013 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. The Department of Elementary and Secondary Education will provide updated March 2014 student enrollment data at the beginning of April. Districts are billed quarterly for students attending charter and state schools.

Operating Aid

Local Districts. The Governor recommends \$677.7 million for formula aid to locally operated school districts. This is \$25.8 million more than enacted. This reflects the fourth year of the funding formula.

Central Falls Operations. The Governor recommends \$38.8 million for formula aid for the Central Falls School District. This is \$0.4 million or 1.3 percent more than FY 2014 enacted aid. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula.

The formula includes a stabilization fund to stabilize the Central Falls school district until the city can begin paying its local share. This is the first year of stabilization funding and the budget includes \$1.8 million. The recommendation also includes a \$1.3 million reduction, reflecting year four of the funding formula. This reduction reflects a declining Central Falls enrollment primarily due to the proliferation of charter schools.

Metropolitan Career and Technical School. The Governor recommends \$10.5 million for formula aid for the Metropolitan Career and Technical School. This is \$0.5 million or 4.8 percent less than the FY 2014 enacted level. Prior to FY 2012, the Met School was fully state supported.

The Met School is funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which it must pay to the School. The estimated local contribution is \$4.8 million once the formula is fully phased in. Table 6 at the end of this report includes estimated enrollment for FY 2015.

Davies Career and Technical School. The Governor recommends \$12.2 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$0.6 million or 4.9 percent less than the FY 2014 enacted level and includes \$0.1 million to represent the state's share of teacher retirement costs. The funding formula legislation requires that state schools participating in the state retirement system have their state aid adjusted to reflect reimbursement for the employer contributions for those staff employed by the state. Davies was fully state supported until FY 2012, but is now funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which must pay it to the School.

The local share for FY 2015 is estimated at \$3.7 million and is shown in the school's budget as restricted receipt expenditures. Davies' operating budget will continue to be submitted as part of the Department's budget and Davies' employees are still state employees. Table 6 at the end of this report includes estimated enrollment by sending district for FY 2015.

Charter Schools. The Governor recommends \$63.1 million for formula aid to charter schools. This is \$8.0 million or 14.5 percent more than the FY 2014 enacted level. This increase includes funding for the opening of three new schools for the 2014-2015 school year. Beginning in FY 2012, charter schools are funded pursuant to the education funding formula. Charter schools are funded like other districts. The state share is that of the sending district for each student and the local contribution is the local per pupil cost of each sending district which must pay it to the school.

Charter schools are public schools authorized by the state to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the statewide total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school age population. At least half of the 35 total charters are reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. Mayoral academies

are charter schools and included in the total. There are currently 19 charter schools in Rhode Island. The Governor's budget assumes three new schools will open during the 2014-2015 school year for a total of 22 schools. Table 6 at the end of this report includes estimated enrollment for FY 2015.

Urban Collaborative Accelerated Program. The Governor recommends \$0.7 million for the second year of funding for the Urban Collaborative Accelerated Program (UCAP) for FY 2015. The 2012 Assembly adopted legislation that requires that beginning in FY 2014, the Urban Collaborative Accelerated Program is funded pursuant to the education funding formula. The program operates as an independent public school dedicated to reducing the dropout rates in Providence, Central Falls and Cranston. Table 6 at the end of this report include estimated enrollment by sending district for FY 2015.

Full-Day Kindergarten. The 2013 General Assembly enacted legislation that allows the Department, beginning in the 2014-2015 school year, to include an estimate to ensure that districts converting from a half-day to a full-day kindergarten program are credited on a full-time basis beginning in the first year of enrollment. For FY 2015, the Department estimates that cost to be \$1.4 million. The Governor recommends the funding.

Group Homes. The Governor recommends \$6.1 million for group home aid, based on 451 beds and a proposal from the Department to change the way group home beds affect total funding. The proposal appears to deduct the impact of group home beds from the education funding data, which results in a decrease in funding that is phased-in over the remaining years of the transition period. This is a departure from current practice in which the required fixed payment is made for each bed open as of December 31 outside the other formula distributions. Based on the December 31, 2013 report from the Department of Children, Youth and Families, the actual bed count is 448, which makes the Governor's recommendation \$753,000 less than current law requirements. The Governor's FY 2014 revised recommendation also fails to include \$60,000 for the four new beds that opened in Exeter-West Greenwich as noted in the December 31, 2013 report. Table 3 shows the Governor's recommendations as well as updated data based on the December 31, 2013 report.

The 2007 Assembly enacted legislation to ensure that the payment of communities' group home aid more closely reflects the actual number of group home beds open at the time of the budget. The legislation mandates that increases in beds prior to December 31 of each year shall be paid as part of the supplemental budget for that year and included in the budget year recommendation. Decreases in beds are not reflected until the budget year so any decreases in group home beds during FY 2014 would not be reflected until FY 2015. This is unlike increases which are funded as part of the supplemental budget. The 2008 Assembly increased the per bed amount from \$15,000 to \$22,000 for the group home beds associated with Bradley Hospital's residential CRAFT program.

Prior to FY 2002, an official community of residence, which is generally based on the parents' residence, was determined for each child living in a group home. The district of official residence was responsible to pay the district in which the child is placed for the cost of the child's education. This system produced disputes among communities concerning financial responsibility. These disputes often resulted in legal fees for all parties involved, and districts hosting group homes were largely unsuccessful in seeking reimbursements.

The 2001 Assembly enacted legislation to provide a per bed allotment to districts in which group homes are located. The legislation relieved the sending district of financial responsibility for students placed in out-of-district group homes. In FY 2015, the 19 communities hosting group homes, will receive \$15,000 per bed, with the exception of the CRAFT beds. This is the per pupil rate that was provided

in the FY 2002 budget in an attempt to reflect the mix of regular and special education students residing in these homes; it has never increased.

Categorical Funding

The education funding formula allows for additional resources from the state to districts for high-cost special education students, career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. For each categorical fund, the Department of Elementary and Secondary Education will prorate the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year.

High Cost Special Education. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed five times the district's combined per pupil core instruction amount and student success factor amount. The Governor recommends \$1.5 million for FY 2015, which is \$0.5 million more than enacted.

Career and Technical Programs. The funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and career pathways in critical and emerging industries and to help offset the higher than average costs associated with facilities, equipment, maintenance, repair and supplies necessary for maintaining the quality of highly specialized programs. The Department developed criteria for the purpose of allocating funds and prorates the funds available for distribution among those eligible school districts, if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year. The Governor recommends \$3.5 million for FY 2015, which is \$0.5 million more than enacted. These funds are not shown in the distribution tables at the end of this report.

Early Childhood Education. The funding formula allows for additional resources from the state to increase access to voluntary, free, high quality pre-kindergarten programs. The Governor recommends \$3.0 million for FY 2015, which is \$1.0 million more than enacted. These funds are currently distributed through a request for proposal process and have been going directly to childcare programs. These funds are not shown in the distribution tables at the end of this report.

Transportation. The funding formula allows for additional resources from the state to mitigate the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts. The state will assume the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system and will share in the costs associated with transporting students within regional school districts. The state and regional school districts will share equally the student transportation costs net any federal sources of revenue for these expenditures. The Governor recommends \$4.4 million for FY 2015, which is \$1.1 million more than enacted.

Set-Aside Funds

Full-Day Kindergarten Pilot Program. The Governor recommends \$0.3 million from general revenues for a full-day kindergarten incentive grant program. This is consistent with the enacted budget. This grant provides one-time, startup funding for school districts that move from offering a part-time kindergarten to a full-day kindergarten. The Commissioner shall approve up to four eligible districts per year to voluntarily implement a full-day kindergarten program. Funds are appropriated based upon criteria established by the Commissioner. The legislation also allows the Department,

beginning in the 2014-2015 school year, to include an estimate to ensure that districts converting from a half-day to a full-day kindergarten program are credited on a full-time basis beginning in the first year of enrollment. For FY 2015, the Department estimates that cost to be \$1.4 million.

Funding was historically provided through the full-day kindergarten investment fund that was established by the 2000 Assembly and funded until FY 2012, at \$4.2 million, with the implementation of the education funding formula. Funding was appropriated based on the number of students enrolled in full-day kindergarten programs and the tax equity index of each district. The new program passed by the 2013 Assembly is intended to support start-up costs associated with moving from a part-time to a full-time kindergarten.

Textbook Loans. The Governor recommends eliminating funding for reimbursements allowed under the textbook loan program for FY 2015; the enacted budget includes \$240,000. The state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. Legislation is included in Article 28.

School Breakfast. The Governor eliminates the administrative cost reimbursement to districts for the school breakfast program for which the enacted budget includes \$270,000. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals, shall be borne exclusively by the state.

Current law requires the Assembly to *"annually appropriate some sum and distribute it based on each district's proportion of the number of breakfasts served in the prior school year relative to the statewide total in the same year."* As in the lunch program, children from families with incomes at or below 130 percent of poverty are eligible for free meals. Children from families between 130 percent and 185 percent of poverty are eligible for reduced-price meals. Children from families over 185 percent of poverty pay a regular price for their meals. Legislation to change this is included in Article 28.

Other Aid

Teacher Retirement. The Governor recommends \$89.8 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement, an increase of \$8.9 million or 11.0 percent more than the FY 2014 revised budget. Prior to changes enacted in a special legislative session during the fall of 2011, teachers had contributed 9.5 percent of their salaries; beginning July 1, 2012, teachers contribute 8.75 percent. That rate is set in the General Laws.

Employers contribute the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40.0 percent of the employer's share. For districts that choose not to participate in social security, there is an additional 4.0 percent contribution; 2.0 percent paid by both the employee and the district. The state does not pay a share of this 2.0 percent.

School Housing (Construction) Aid. The Governor recommends \$67.9 million for construction aid to local districts. This is \$0.3 million more than the FY 2014 entitlement. The state reimburses cities and towns for a share of school capital projects. The shares are based on a district's wealth compared to the aggregate state wealth, and the minimum share for each district is 35.0 percent for FY 2015. The funding formula legislation had included a two-year phased increase in the state's minimum housing aid share to provide that no local district receives less than a 40.0 percent state reimbursement by FY 2012 for projects completed after June 30, 2012. The previous minimum had been 30.0 percent.

The Governor proposed legislation as part of his FY 2013 budget to roll back the state's minimum housing aid participation to 35.0 percent. The 2012 Assembly adopted the proposal and added language to ensure that projects that received approval from the Board of Regents prior to June 30, 2012 and were expecting the 40.0 percent minimum would be allowed to receive it.

The 2011 Assembly instituted a three-year moratorium on the approval of new projects with exception for projects necessitated by health and safety reasons, effective July 1, 2011 through July 1, 2014.

To encourage municipalities to refinance their bonds, the 2013 General Assembly enacted legislation that entitles towns to 80.0 percent of the total savings from bond refinancing, rather than the typical local share, for bond refinancing occurring between July 1, 2013 and December 31, 2015.

Calculation and Distribution Tables

The ten tables on the following pages include the calculation and distribution of the Governor's FY 2015 recommended education aid to districts, charter and state schools. Tables 1A and 1B show the total recommended funding and Tables 2 through 8 illustrate different components of the funding formula. Table 9 has education aid to districts for FY 2009 though FY 2013 for comparison purposes.

Table 1A: Total Recommended Education Aid for Districts for FY 2015

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2015

Table 2: Calculation of New Funding Formula for FY 2015

Table 3: Group Home Aid

Table 4: Calculation of State Share Ratio

Table 5: Transition Plan for Districts

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

Table 8: Recommended Categorical Aid

Table 9: Education Aid for FY 2009 - FY 2013

Table 1A: Total Recommended Education Aid for Districts for FY 2015

- A.** Column **A** is the amount that districts will receive in the fourth year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. This calculation is shown in Table 2.
- B.** Column **B** is the amount of group home aid districts will receive in FY 2015. Changes from FY 2014 are shown in Table 3. Group home aid is paid pursuant to current law in addition to aid paid through the funding formula.
- C.** The formula allows for additional resources from the state for high cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. The Governor's recommendation is shown in Column **C**. Specific programs are shown in Table 8.
- D.** Column **D** shows the projected allocation of aid associated with the transition from half-day to full-day kindergarten. Legislation passed by the 2013 Assembly allows the Department, beginning in the 2014-2015 school year, to include an estimate to ensure that districts converting from a half-day to a full-day kindergarten program are credited on a full-time basis beginning in the first year of enrollment. In July 2013, the Department surveyed school districts that have half-day kindergarten to determine which districts are considering full-day implementation. Based on survey responses, the Department included an estimated potential impact of \$1.4 million.
- E.** Column **E** shows the Governor's total FY 2015 recommended aid.
- F.** Column **F** is the FY 2014 enacted aid.
- G.** Column **G** is the difference between the Governor's FY 2015 recommendation shown in Column **E** and the FY 2014 enacted budget in Column **F**.

Table 1A: Total Recommended Education Aid for Districts for FY 2015

District	A FY 2015		B		C		D		E		F		G
	Recommended Formula Aid (Table 2)	Group Home Aid (Table 3)	All Categoricals (Table 8)		Full-Day K		FY 2015 Recommended Aid		FY 2014 Enacted Aid		FY 2015 Change to Enacted		
Barrington	\$ 4,539,016	\$ -	\$ 95,720	\$ 74,174	\$ 4,708,910	\$ 3,918,965	\$ 789,946						
Burrillville	12,860,918	263,032	25,668	-	13,149,618	12,712,387	437,231						
Charlestown	1,711,607	-	-	-	1,711,607	1,706,995	4,611						
Coventry	20,923,223	107,895	56,103	268,137	21,355,358	20,180,158	1,175,200						
Cranston	46,529,155	53,188	537,915	71,066	47,191,324	42,922,101	4,269,223						
Cumberland	15,618,239	-	141,791	-	15,760,030	14,621,350	1,138,680						
East Greenwich	2,381,562	-	75,712	40,392	2,497,666	2,266,168	231,497						
East Providence	28,740,713	575,333	132,024	-	29,448,070	27,403,793	2,044,278						
Foster	1,177,658	-	14,706	-	1,192,364	1,189,070	3,294						
Glocester	2,611,908	-	23,566	30,881	2,666,355	2,683,922	(17,567)						
Hopkinton	5,614,461	-	-	-	5,614,461	5,515,535	98,926						
Jamestown	401,463	-	7,150	-	408,613	359,449	49,164						
Johnston	12,816,370	(12,989)	289,611	156,677	13,249,669	11,636,085	1,613,584						
Lincoln	9,671,217	123,837	68,268	-	9,863,322	8,822,047	1,041,275						
Little Compton	404,941	-	-	-	404,941	365,270	39,672						
Middletown	8,577,568	373,492	14,206	-	8,965,266	8,678,862	286,404						
Narragansett	2,010,898	-	6,805	-	2,017,703	1,799,609	218,094						
Newport	10,427,437	254,928	-	-	10,682,365	10,371,310	311,055						
New Shoreham	81,289	-	8,795	-	90,084	75,366	14,718						
North Kingstown	10,714,391	-	11,776	-	10,726,167	10,791,146	(64,979)						
North Providence	16,078,910	211,845	190,821	-	16,481,576	14,744,604	1,736,972						
North Smithfield	5,454,362	110,986	34,750	-	5,600,098	5,244,804	355,294						
Pawtucket	74,251,053	606,974	132,974	-	74,991,001	70,719,232	4,271,770						
Portsmouth	4,294,609	547,483	31,278	14,265	4,887,635	4,570,144	317,490						
Providence	211,639,898	1,616,876	552,393	-	213,809,167	203,678,050	10,131,117						
Richmond	5,195,425	-	-	-	5,195,425	5,335,436	(140,011)						
Scituate	3,913,574	-	46,718	-	3,960,292	3,685,657	274,635						
Smithfield	4,720,232	233,759	82,550	-	5,036,541	4,684,041	352,500						
South Kingstown	7,524,453	308,040	135,145	-	7,967,638	7,785,495	182,143						
Tiverton	5,826,351	-	27,501	-	5,853,852	5,769,004	84,848						
Warwick	35,894,086	301,497	105,609	-	36,301,192	34,762,103	1,539,089						
Westerly	7,643,254	-	84,105	-	7,727,359	7,122,961	604,399						
West Warwick	20,886,831	-	53,608	-	20,940,439	20,265,989	674,450						
Woonsocket	49,754,692	98,890	22,828	670,193	50,546,603	47,972,469	2,574,134						
Bristol-Warren	15,959,691	114,738	689,065	-	16,763,494	16,455,588	307,905						
Chariho	229,922	-	1,086,523	-	1,316,445	268,242	1,048,203						
Exeter-West Greenwich	5,641,584	203,195	733,619	36,027	6,614,425	5,858,269	756,156						
Foster-Glocester	4,972,225	-	257,331	-	5,229,556	5,001,610	227,945						
Central Falls	38,845,852	-	74,421	-	38,920,273	38,399,592	520,682						
Total	\$ 716,541,042	\$ 6,093,000	\$ 5,851,360	\$ 1,361,812	\$ 729,846,903	\$ 690,342,875	\$ 39,504,028						
Adjusted Chariho	12,751,415	-	1,086,523	-	13,837,938	12,826,208	1,011,729						

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2015

- A.** Column **A** is the FY 2014 enacted formula aid.
- B.** Column **B** includes mid-year revisions to FY 2014 based on current law requirements that any changes in enrollment as of October 1 that are greater than 10.0 percent get adjusted in that year.
- C.** Column **C** is the base formula aid calculation for FY 2015. It uses June 30, 2013 enrollment data adjusted for October 2013 charter school enrollment and projected charter school enrollment for FY 2015.
- D.** Column **D** is the difference between FY 2015 base funding and FY 2014 revised formula aid.
- E.** Column **E** shows the transition calculation. Charter and state schools that will receive more state funding will have the additional funding phased in over seven years and those that are going to receive less state funding will have that loss phased in over ten years.
- F.** Column **F** is the FY 2015 recommended formula aid. It is the transition calculation in Column **E** added or subtracted from the FY 2014 revised formula aid shown in Column **B**. Growth due to adding grades is paid in the year of the growth.
- G.** Column **G** is difference between the third year of funding under the formula in Column **F** and total state formula aid shown in Column **C**.

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2015

School	A FY 2014 Enacted Formula Aid	B FY 2014 Revised Formula Aid	C FY 2015 Base Formula Funding	D
				Difference
Achievement First	\$ 1,745,202	\$ 1,745,202	\$ 4,408,893	\$ 2,663,691
Beacon	1,682,079	1,682,079	1,635,508	(46,571)
Blackstone	1,619,062	1,619,062	1,765,963	146,901
Compass	561,195	561,195	459,437	(101,758)
Engineering Early College	-	-	1,067,169	1,067,169
Greene School	892,101	888,954	1,021,770	129,669
Highlander	3,331,257	3,331,257	3,758,673	427,416
Hope Academy	-	-	808,669	808,669
International	2,867,619	2,867,619	2,844,762	(22,857)
Kingston Hill	653,830	653,830	407,317	(246,513)
Learning Community	6,122,147	6,122,147	6,214,602	92,455
New England Laborers	1,230,541	1,230,541	1,072,988	(157,553)
Nowell	1,573,568	1,573,568	1,596,729	23,161
Nurses Institute	2,478,686	2,478,686	2,514,550	35,864
Paul Cuffee	7,962,677	7,962,677	8,038,499	75,822
RI Mayoral Academies Blackstone Prep.	7,818,591	7,818,591	9,501,709	1,683,118
Segue Institute	2,596,191	2,596,191	2,739,105	142,914
Southside Elementary	-	-	255,742	255,742
Textron	2,342,238	2,255,254	2,442,176	99,938
Times2 Academy	7,013,322	7,013,322	6,789,785	(223,537)
Trinity	1,448,044	1,448,044	1,828,080	380,036
Village Green	1,209,709	1,209,709	1,848,404	638,695
Charter Schools Subtotal	\$ 55,148,059	\$ 55,057,928	\$ 63,020,530	\$ 7,872,471
Davies Career and Tech	12,792,048	12,792,048	8,051,092	(4,740,956)
Met School	11,085,049	11,085,049	7,245,954	(3,839,095)
Urban Collaborative	296,703	296,703	1,558,649	1,261,946
Total	\$ 79,321,859	\$ 79,231,728	\$ 79,876,225	\$ 554,366

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2015

School	E Transition = 1/4th or 1/7th*	F FY 2015 Recommended Aid	G Change to Base Calculation
Achievement First	\$ 2,663,691	\$ 4,408,893	\$ -
Beacon	(6,653)	1,675,426	39,918
Blackstone	36,725	1,655,787	(110,176)
Compass	(14,537)	546,658	87,221
Engineering Early College	1,067,169	1,067,169	-
Greene School	32,417	924,518	(97,252)
Highlander	427,416	3,758,673	-
Hope Academy	808,669	808,669	-
International	(3,265)	2,864,354	19,592
Kingston Hill	(35,216)	618,614	211,297
Learning Community	23,114	6,145,261	(69,341)
New England Laborers	(22,508)	1,208,033	135,045
Nowell	5,790	1,579,358	(17,371)
Nurses Institute	8,966	2,487,652	(26,898)
Paul Cuffee	18,956	7,981,633	(56,867)
RI Mayoral Academies Blackstone Prep.	1,683,118	9,501,709	-
Segue Institute	35,729	2,631,920	(107,186)
Southside Elementary	255,742	255,742	-
Textron	24,985	2,367,223	(74,954)
Times2 Academy	(31,934)	6,981,388	191,603
Trinity	380,036	1,828,080	-
Village Green	638,695	1,848,404	-
Charter Schools Subtotal	\$ 7,997,104	\$ 63,145,163	\$ 124,633
Davies Career and Tech	(564,255)	12,227,793	4,176,701
Met School	(548,442)	10,536,607	3,290,653
Urban Collaborative	374,264	670,967	(887,682)
Total	\$ 7,258,671	\$ 86,580,530	\$ 6,704,305

* Growth due to adding grades is all paid in the year of growth

Table 2: Calculation of Funding Formula for FY 2015

- A.** The FY 2013 student counts are shown in Column **A** based on the resident average daily membership as of June 30. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.
- B.** Column **B** includes the number of students in pre-kindergarten through 12th grade that receive USDA reimbursable lunch as reported to the Department of Elementary and Secondary Education by the districts.
- C.** Column **C** includes the percent of students that are eligible for free and reduced price lunch - Column **B** divided by Column **A**.
- D.** Column **D** is the core instruction funding which is the FY 2013 student count in Column **A** times the core instruction per pupil amount of \$8,966. The legislation requires the core instruction per pupil amount to be updated annually.
- E.** Column **E** includes the student success factor funding which is a single poverty weight as a proxy for student supports and is 40.0 percent times the number of students in pre-K through 12th grade that receive free and reduced price lunch in Column **B** times the core instruction amount.
- F.** The total foundation amount in Column **F** is the sum of the core instruction amount in Column **D** plus the student success factor funding in Column **E**.
- G.** Column **G** is the state share ratio; the calculation is described in Table 4.
- H.** Column **H** includes the state foundation aid under the funding formula based on FY 2013 data. It is the total foundation amount in Column **F** times the state share ratio in Column **G**.
- I.** Column **I** is the FY 2014 enacted formula aid in Table 5.
- J.** Column **J** is the fourth year transition amount. It is the amount that will be added or subtracted from the FY 2014 base aid amount. It assumes districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. The calculation is shown in Table 5.
- K.** Column **K** is the amount that districts would receive in the fourth year of the new formula's implementation pursuant to the ten-year phase in of the formula.
- L.** Column **L** is the difference between the fourth year of funding under the formula shown in Column **K** and the total state foundation aid shown in Column **H**.

Table 2: Calculation of New Funding Formula for FY 2015

District	A	B	C	D	E	F
	FY 2015		%FRPL	Core Instruction Funding	Student Success Factor	Total Foundation
	PK-12 RADM	FRPL RADM			Funding	Foundation
Barrington	3,276	207	6.3%	\$ 29,372,616	\$ 742,385	\$ 30,115,001
Burrillville	2,407	905	37.6%	21,581,162	3,245,692	24,826,854
Charlestown	921	265	28.8%	8,257,686	950,396	9,208,082
Coventry	4,783	1,418	29.6%	42,884,378	5,085,515	47,969,893
Cranston	10,009	4,416	44.1%	89,740,694	15,837,542	105,578,236
Cumberland	4,505	1,036	23.0%	40,391,830	3,715,510	44,107,340
East Greenwich	2,326	182	7.8%	20,854,916	652,725	21,507,641
East Providence	5,351	2,668	49.9%	47,977,066	9,568,515	57,545,581
Foster	280	65	23.2%	2,510,480	233,116	2,743,596
Glocester	524	120	22.9%	4,698,184	430,368	5,128,552
Hopkinton	1,208	334	27.6%	10,830,928	1,197,858	12,028,786
Jamestown	656	65	9.9%	5,881,696	233,116	6,114,812
Johnston	2,982	1,352	45.3%	26,736,612	4,848,813	31,585,425
Lincoln	3,113	829	26.6%	27,911,158	2,973,126	30,884,284
Little Compton	402	60	14.9%	3,604,332	215,184	3,819,516
Middletown	2,407	735	30.5%	21,581,162	2,636,004	24,217,166
Narragansett	1,428	336	23.5%	12,803,448	1,205,030	14,008,478
Newport	2,047	1,304	63.7%	18,353,402	4,676,666	23,030,068
New Shoreham	111	14	12.6%	995,226	50,210	1,045,436
North Kingstown	3,878	773	19.9%	34,770,148	2,772,287	37,542,435
North Providence	3,383	1,519	44.9%	30,331,978	5,447,742	35,779,720
North Smithfield	1,769	297	16.8%	15,860,854	1,065,161	16,926,015
Pawtucket	8,568	6,968	81.3%	76,820,688	24,990,035	101,810,723
Portsmouth	2,453	362	14.8%	21,993,598	1,298,277	23,291,875
Providence	21,995	19,610	89.2%	197,207,170	70,329,304	267,536,474
Richmond	1,161	205	17.7%	10,409,526	735,212	11,144,738
Scituate	1,479	246	16.6%	13,260,714	882,254	14,142,968
Smithfield	2,327	366	15.7%	20,863,882	1,312,622	22,176,504
South Kingstown	3,341	628	18.8%	29,955,406	2,252,259	32,207,665
Tiverton	1,849	515	27.9%	16,578,134	1,846,996	18,425,130
Warwick	9,279	3,313	35.7%	83,195,514	11,881,743	95,077,257
Westerly	3,115	1,152	37.0%	27,929,090	4,131,533	32,060,623
West Warwick	3,369	1,691	50.2%	30,206,454	6,064,602	36,271,056
Woonsocket	5,624	4,194	74.6%	50,424,784	15,041,362	65,466,146
Bristol-Warren	3,429	1,288	37.6%	30,744,414	4,619,283	35,363,697
Chariho	-	-	0.0%	-	-	-
Exeter-West Greenwich	1,679	264	15.7%	15,053,914	946,810	16,000,724
Foster-Glocester	1,186	243	20.5%	10,633,676	871,495	11,505,171
Central Falls	2,496	2,238	89.7%	22,379,136	8,026,363	30,405,499
Total	131,116	62,183		\$ 1,175,586,056	\$ 223,013,111	\$ 1,398,599,167
<i>Adjusted Chariho</i>	3,290	804		29,498,140	2,883,466	32,381,606

*This includes a \$1.8 million stabilization fund payment to Central Falls.

Table 2: Calculation of New Funding Formula for FY 2015

District	G State Share Ratio (Table 4)	H FY 2015 Base Funding	I FY 2014 Enacted Formula Aid	J Adjusted Year Four Difference (Table 5)	K FY 2015 Recommended Formula Aid*	L Difference from Base Funding
Barrington	21.2%	\$ 6,399,172	\$ 3,918,965	\$ 620,052	\$ 4,539,016	\$ (1,860,156)
Burrillville	53.6%	13,306,511	12,712,387	148,531	12,860,918	(445,593)
Charlestown	18.7%	1,725,441	1,706,995	4,611	1,711,607	(13,834)
Coventry	48.3%	23,152,419	20,180,158	743,065	20,923,223	(2,229,196)
Cranston	54.3%	57,350,318	42,922,101	3,607,054	46,529,155	(10,821,163)
Cumberland	42.2%	18,608,907	14,621,350	996,889	15,618,239	(2,990,668)
East Greenwich	12.7%	2,727,742	2,266,168	115,393	2,381,562	(346,180)
East Providence	56.9%	32,751,475	27,403,793	1,336,921	28,740,713	(4,010,762)
Foster	40.4%	1,109,187	1,189,070	(11,412)	1,177,658	68,471
Glocester	42.5%	2,179,825	2,683,922	(72,014)	2,611,908	432,083
Hopkinton	49.1%	5,911,239	5,515,535	98,926	5,614,461	(296,778)
Jamestown	8.6%	527,507	359,449	42,014	401,463	(126,043)
Johnston	51.8%	16,357,225	11,636,085	1,180,285	12,816,370	(3,540,855)
Lincoln	39.6%	12,218,726	8,822,047	849,170	9,671,217	(2,547,509)
Little Compton	13.7%	523,956	365,270	39,672	404,941	(119,015)
Middletown	32.9%	7,969,803	8,678,862	(101,294)	8,577,568	607,765
Narragansett	18.9%	2,644,766	1,799,609	211,289	2,010,898	(633,868)
Newport	46.7%	10,764,198	10,371,310	56,127	10,427,437	(336,761)
New Shoreham	9.5%	99,057	75,366	5,923	81,289	(17,768)
North Kingstown	27.3%	10,253,862	10,791,146	(76,755)	10,714,391	460,528
North Providence	56.1%	20,081,828	14,744,604	1,334,306	16,078,910	(4,002,918)
North Smithfield	35.9%	6,083,036	5,244,804	209,558	5,454,362	(628,675)
Pawtucket	83.3%	84,846,518	70,719,232	3,531,822	74,251,053	(10,595,465)
Portsmouth	11.3%	2,641,395	4,570,144	(275,536)	4,294,609	1,653,214
Providence	88.0%	235,526,263	203,678,050	7,961,848	211,639,898	(23,886,365)
Richmond	39.1%	4,355,362	5,335,436	(140,011)	5,195,425	840,064
Scituate	32.5%	4,597,324	3,685,657	227,917	3,913,574	(683,750)
Smithfield	21.8%	4,828,803	4,684,041	36,191	4,720,232	(108,572)
South Kingstown	18.5%	5,958,200	7,785,495	(261,042)	7,524,453	1,566,252
Tiverton	32.6%	5,998,392	5,769,004	57,347	5,826,351	(172,041)
Warwick	41.3%	39,290,037	34,762,103	1,131,983	35,894,086	(3,395,950)
Westerly	28.7%	9,204,135	7,122,961	520,294	7,643,254	(1,560,881)
West Warwick	62.7%	22,749,356	20,265,989	620,842	20,886,831	(1,862,525)
Woonsocket	84.2%	55,101,362	47,972,469	1,782,223	49,754,692	(5,346,670)
Bristol-Warren	36.7%	12,984,305	16,455,588	(495,898)	15,959,691	2,975,386
Chariho	0.0%	-	268,242	(38,320)	229,922	229,922
Exeter-West Greenwich	27.1%	4,341,477	5,858,269	(216,685)	5,641,584	1,300,107
Foster-Glocester	41.7%	4,795,911	5,001,610	(29,386)	4,972,225	176,314
Central Falls	95.4%	29,009,539	38,399,591	(1,341,436)	38,845,852	9,836,313
Total		\$ 778,974,579	\$ 690,342,874	\$ 24,410,466	\$ 716,541,042	\$ (62,433,542)
<i>Adjusted Chariho</i>		11,992,042	12,826,208	(74,793)	12,751,415	759,373

*This includes a \$1.8 million stabilization fund payment to Central Falls.

Table 3: Calculation of Group Home Aid for FY 2015

- A.** Column **A** is the FY 2014 enacted amount of group home aid. The distribution includes \$15,000 per bed with the exception of the Bradley Center beds in East Providence which includes \$22,000 per bed, for a total of 467 beds.
- B.** Column **B** is the Governor's FY 2014 revised recommendation. This recommendation is consistent with the enacted amount.
- C.** Column **C** is the FY 2014 revised current law entitlement based on the December 31, 2013 report from the Department of Children, Youth and Families that identified 471 beds eligible for aid.
- D.** Column **D** is the difference between the FY 2014 revised current law entitlement shown in column **C** and the Governor's recommendation in column **B**.
- E.** Column **E** shows full funding under the Governor's FY 2015 recommendation that assumes a bed count of 451.
- F.** Column **F** shows the impact of reducing each district's enrollment by the number of group home beds from the funding formula data. The impact of this reduction is phased-in over the remaining years of the transition period. Schools that receive more state funding have the additional funding phased in over four years and those that receive less state funding will have that loss phased in over seven years.
- G.** Column **G** shows the Governor's FY 2015 recommendation which is the full funding in column **E** reduced by the transitioned impact in column **F**.
- H.** Column **H** shows FY 2015 group home aid under current law, based on the December 31, 2013 report from the Department of Children, Youth and Families which identified 448 beds.
- I.** Column **I** is the difference between the Governor's recommendation in column **G** and current law entitlements in column **H**.

Table 3: Group Home Aid

District	A	B	C	D
	FY 2014 Enacted Aid	Governor's FY 2014 Revised	FY 2014 Revised Current Law*	FY 2014 Current Law Change to Governor
Barrington	\$ -	\$ -	\$ -	\$ -
Burrillville	330,000	330,000	330,000	-
Charlestown	-	-	-	-
Coventry	120,000	120,000	120,000	-
Cranston	60,000	60,000	60,000	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	636,000	636,000	636,000	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	120,000	120,000	120,000	-
Lincoln	135,000	135,000	135,000	-
Little Compton	-	-	-	-
Middletown	420,000	420,000	420,000	-
Narragansett	-	-	-	-
Newport	270,000	270,000	270,000	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	240,000	240,000	240,000	-
North Smithfield	120,000	120,000	120,000	-
Pawtucket	735,000	735,000	735,000	-
Portsmouth	555,000	555,000	555,000	-
Providence	2,055,000	2,055,000	2,055,000	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	240,000	240,000	240,000	-
South Kingstown	315,000	315,000	315,000	-
Tiverton	-	-	-	-
Warwick	330,000	330,000	330,000	-
Westerly	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	120,000	120,000	120,000	-
Bristol-Warren	120,000	120,000	120,000	-
Exeter-West Greenwich	210,000	210,000	270,000	60,000
Foster-Glocester	-	-	-	-
Central Falls	-	-	-	-
Total	\$ 7,131,000	\$ 7,131,000	\$ 7,191,000	\$ 60,000

*Reflects December 31, 2013 Department of Children, Youth and Families report

Table 3: Group Home Aid

District	E <i>Governor's FY 2015 Full Funding</i>	F <i>Adjustment to Funding Formula</i>	G <i>Governor's FY 2015 Aid*</i>	H <i>FY 2015 Current Law**</i>	I <i>Governor's FY 2015 Change to Current Law</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	300,000	(37,003)	263,032	300,000	(36,968)
Charlestown	-	-	-	-	-
Coventry	120,000	(12,117)	107,895	120,000	(12,105)
Cranston	60,000	(6,818)	53,188	60,000	(6,812)
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	636,000	(60,725)	575,333	636,000	(60,667)
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	(13,001)	(12,989)	-	(12,989)
Lincoln	135,000	(11,174)	123,837	135,000	(11,163)
Little Compton	-	-	-	-	-
Middletown	390,000	(16,524)	373,492	390,000	(16,508)
Narragansett	-	-	-	-	-
Newport	270,000	(15,086)	254,928	270,000	(15,072)
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	240,000	(28,181)	211,846	240,000	(28,154)
North Smithfield	120,000	(9,022)	110,986	120,000	(9,014)
Pawtucket	735,000	(128,146)	606,974	735,000	(128,026)
Portsmouth	555,000	(7,524)	547,483	555,000	(7,517)
Providence	1,995,000	(378,482)	1,616,876	1,950,000	(333,124)
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	240,000	(6,247)	233,759	240,000	(6,241)
South Kingstown	315,000	(6,966)	308,040	315,000	(6,960)
Tiverton	-	-	-	-	-
Warwick	330,000	(28,530)	301,497	330,000	(28,503)
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	120,000	(21,130)	98,890	120,000	(21,110)
Bristol-Warren	120,000	(5,267)	114,738	120,000	(5,262)
Exeter-West Greenwich	210,000	(6,812)	203,195	210,000	(6,805)
Foster-Gloucester	-	-	-	-	-
Central Falls	-	-	-	-	-
Total	\$ 6,891,000	\$ (798,000)	\$ 6,093,000	\$ 6,846,000	\$ (753,000)

*The \$12,989 reduction to Johnston reflects the impact of group home beds on funding data.

**Reflects December 31, 2013 Department of Children, Youth and Families report.

Table 4: Calculation of State Share Ratio

The following table shows the calculation of each community's state share ratio for the purpose of the new education funding formula. The share ratio formula considers the district's ability to generate revenues and its poverty concentration.

A. The assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Rhode Island General Law, Section 16-7-21. The assessed value as of December 31, 2010 is used for FY 2015 calculations. Property value is certified annually by the Department of Revenue, Division of Municipal Finance, based on local sales data and appraisals.

B. The adjusted equalized weighted assessed property valuations for the third preceding calendar year per current law, as of December 31, 2010 as reported by the Department of Revenue's Division of Municipal Finance. The total assessed local property value of a community is adjusted for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV).

The valuations are then adjusted by the ratio that the community's median family income bears to the statewide median family income, as reported in the most recent federal census data. Use of both the property value and the median family income is an attempt to compensate for districts that have significant disparity between median family income and the full value of property. Once community wealth is determined, it is divided by pupil counts to calculate the per pupil wealth for each community compared to the per pupil wealth for the state as a whole.

C. The FY 2015 student counts are shown in Column **C** based on the resident average daily membership as of June 30, 2013. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

D. The resulting relative per pupil community wealth is then multiplied by 0.475 and subtracted from 1.0, yielding the district's share ratio. The result is multiplied by 100 to convert this share ratio to a percentage.

E. Column **E** includes the percentage of students eligible for USDA reimbursable school meals in pre-Kindergarten through 6th grade as of June 30, 2013.

F. The calculation in Column **F** is the square root of the sum of the state share ratio for the community calculation in Column **D** squared plus the district's percentage of students eligible for USDA reimbursable school meals in grades pre-Kindergarten through 6th in Column **E** squared, divided by two.

$$h = \frac{+ \%_6}{2}$$

G. Column **G** shows what the share ratio was for FY 2014. It uses property valuations as of December 31, 2009 and student counts as of June 30, 2012.

H. Column **H** shows the difference between the share ratio for FY 2015 and that for FY 2014.

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
	<i>Assessed Value</i> <i>12/31/10</i>	<i>Adjusted EWAV</i> <i>12/31/10</i>	<i>June 2013</i> <i>Student Count*</i>	<i>Adjusted</i> <i>EWAV</i>
Barrington	\$ 2,965,125,830	\$ 4,325,666,092	3,267	29.2%
Burrillville	1,556,804,493	1,563,861,381	2,435	65.7%
Charlestown	2,393,413,986	2,419,075,883	1,034	0.0%
Coventry	3,480,568,815	3,506,923,320	4,885	61.6%
Cranston	7,932,155,245	7,379,836,083	10,262	61.6%
Cumberland	3,810,270,741	4,154,562,619	4,912	54.8%
East Greenwich	2,613,700,074	3,675,322,022	2,336	15.9%
East Providence	4,614,350,009	4,022,472,934	5,424	60.4%
Foster	624,411,424	253,598,399	281	51.8%
Glocester	1,095,044,195	444,741,150	526	54.8%
Hopkinton	927,204,652	868,159,171	1,220	62.0%
Jamestown	2,034,698,845	2,502,140,680	664	0.0%
Johnston	2,946,833,047	2,530,077,711	3,074	56.0%
Lincoln	2,888,668,146	3,290,548,088	3,324	47.1%
Little Compton	1,867,267,924	2,440,708,256	406	0.0%
Middletown	2,923,866,499	3,005,533,059	2,421	33.7%
Narragansett	4,879,586,892	5,930,378,452	1,453	0.0%
Newport	5,876,822,016	5,713,385,048	2,087	0.0%
New Shoreham	1,756,109,632	2,451,318,973	111	0.0%
North Kingstown	3,969,087,071	5,222,581,497	3,936	29.1%
North Providence	2,796,356,041	2,317,018,870	3,482	64.4%
North Smithfield	1,550,137,258	1,773,933,806	1,791	47.1%
Pawtucket	4,577,947,080	2,624,136,292	9,896	85.8%
Portsmouth	3,410,655,176	4,555,252,154	2,461	1.1%
Providence	11,768,628,674	7,003,757,603	25,838	85.5%
Richmond	876,323,867	1,084,885,142	1,175	50.7%
Scituate	891,002,068	1,608,524,703	1,490	42.3%
Smithfield	2,730,753,685	3,255,915,785	2,352	26.0%
South Kingstown	4,577,786,641	5,415,714,542	3,490	17.1%
Tiverton	2,360,150,617	2,291,747,380	1,866	34.4%
Warwick	10,209,899,213	9,543,222,887	9,333	45.4%
Westerly	6,305,670,370	6,374,150,486	3,158	0.0%
West Warwick	2,280,867,595	1,847,843,461	3,395	70.9%
Woonsocket	2,213,746,481	1,230,722,756	5,738	88.5%
Bristol/Warren	4,234,080,090	4,165,386,040	3,456	35.6%
Exeter/West Green	1,758,772,779	2,114,201,077	1,718	34.2%
Foster/Glocester	1,719,455,619	1,021,116,070	1,180	53.8%
Central Falls	519,870,089	236,173,374	3,805	96.7%
Total	\$124,164,593,246	\$124,164,593,246	139,682	

*Includes charter and state school students

Table 4: Calculation of State Share Ratio

District	E FY 2013 % of PK-6 FRPL	F FY 2015 State Share Ratio	G FY 2014 State Share Ratio	H Change to Share Ratio
Barrington	7.1%	21.3%	21.1%	0.1%
Burrillville	37.8%	53.6%	53.0%	0.6%
Charlestown	26.5%	18.7%	19.7%	-1.0%
Coventry	29.4%	48.3%	47.5%	0.8%
Cranston	45.9%	54.3%	54.6%	-0.3%
Cumberland	23.6%	42.2%	40.5%	1.7%
East Greenwich	8.3%	12.7%	16.9%	-4.2%
East Providence	53.2%	56.9%	55.8%	1.1%
Foster	24.2%	40.4%	38.5%	1.9%
Glocester	24.7%	42.5%	38.7%	3.8%
Hopkinton	31.4%	49.1%	43.6%	5.6%
Jamestown	12.2%	8.6%	6.0%	2.6%
Johnston	47.2%	51.8%	47.8%	4.0%
Lincoln	30.2%	39.6%	39.2%	0.4%
Little Compton	19.4%	13.7%	12.4%	1.3%
Middletown	32.1%	32.9%	32.5%	0.4%
Narragansett	26.7%	18.9%	16.9%	2.0%
Newport	66.1%	46.7%	46.7%	0.1%
New Shoreham	13.4%	9.5%	9.5%	0.0%
North Kingstown	25.4%	27.3%	29.3%	-2.0%
North Providence	46.4%	56.2%	52.1%	4.1%
North Smithfield	19.1%	35.9%	37.1%	-1.2%
Pawtucket	80.8%	83.4%	82.9%	0.5%
Portsmouth	16.0%	11.3%	13.0%	-1.6%
Providence	90.5%	88.0%	87.9%	0.2%
Richmond	22.0%	39.1%	42.9%	-3.8%
Scituate	18.0%	32.5%	31.5%	1.0%
Smithfield	16.5%	21.8%	20.3%	1.5%
South Kingstown	19.8%	18.5%	17.5%	1.0%
Tiverton	30.6%	32.5%	33.7%	-1.1%
Warwick	36.8%	41.3%	39.9%	1.4%
Westerly	40.6%	28.7%	29.4%	-0.7%
West Warwick	53.3%	62.7%	62.1%	0.7%
Woonsocket	79.6%	84.2%	82.6%	1.6%
Bristol/Warren	37.8%	36.7%	33.6%	3.1%
Exeter/West Green	17.4%	27.2%	25.4%	1.8%
Foster/Glocester	24.1%	41.7%	38.3%	3.4%
Central Falls	94.1%	95.4%	94.5%	0.9%
Total				

Table 5: Transition Plan for Districts

The new funding formula results in a redistribution of aid among communities with some getting less aid than prior years. In an effort to mitigate any losses to communities and allow for an adjustment period, the law allows for a transition of up to seven years. The Department of Elementary and Secondary Education has developed a methodology to implement this transition based on how a district fares compared to funding distributions under the current system. It requires establishing the total gain or loss to each district.

A. Column **A** is the amount of formula aid that districts received in the third year of the formula's implementation, FY 2014.

B. Column **B** is the FY 2015 total base funding calculation.

C. Column **C** is the difference between FY 2015 base funding shown in Column **B** and the amount of formula aid received in FY 2014 and shown in Column **A**.

D. Column **D** shows the transition calculation. Districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

Table 5: Transition Plan for Districts

District	A <i>FY 2014 Enacted Base Formula Funding</i>	B <i>FY 2015 Base Calculation</i>	C <i>Difference</i>	D <i>Transition = 1/4th or 1/7th</i>
Barrington	\$ 3,918,965	\$ 6,399,172	\$ 2,480,207	\$ 620,052
Burrillville	12,712,387	13,306,511	594,124	148,531
Charlestown	1,706,995	1,725,441	18,446	4,611
Coventry	20,180,158	23,152,419	2,972,262	743,065
Cranston	42,922,101	57,350,318	14,428,217	3,607,054
Cumberland	14,621,350	18,608,907	3,987,558	996,889
East Greenwich	2,266,168	2,727,742	461,574	115,393
East Providence	27,403,793	32,751,475	5,347,682	1,336,921
Foster	1,189,070	1,109,187	(79,883)	(11,412)
Glocester	2,683,922	2,179,825	(504,097)	(72,014)
Hopkinton	5,515,535	5,911,239	395,704	98,926
Jamestown	359,449	527,507	168,058	42,014
Johnston	11,636,085	16,357,225	4,721,141	1,180,285
Lincoln	8,822,047	12,218,726	3,396,678	849,170
Little Compton	365,270	523,956	158,687	39,672
Middletown	8,678,862	7,969,803	(709,060)	(101,294)
Narragansett	1,799,609	2,644,766	845,157	211,289
Newport	10,371,310	10,764,198	392,888	56,127
New Shoreham	75,366	99,057	23,691	5,923
North Kingstown	10,791,146	10,253,862	(537,283)	(76,755)
North Providence	14,744,604	20,081,828	5,337,224	1,334,306
North Smithfield	5,244,804	6,083,036	838,233	209,558
Pawtucket	70,719,232	84,846,518	14,127,286	3,531,822
Portsmouth	4,570,144	2,641,395	(1,928,749)	(275,536)
Providence	203,678,050	235,526,263	31,848,213	7,961,848
Richmond	5,335,436	4,355,362	(980,074)	(140,011)
Scituate	3,685,657	4,597,324	911,667	227,917
Smithfield	4,684,041	4,828,803	144,762	36,191
South Kingstown	7,785,495	5,958,200	(1,827,294)	(261,042)
Tiverton	5,769,004	5,998,392	229,388	57,347
Warwick	34,762,103	39,290,037	4,527,934	1,131,983
Westerly	7,122,961	9,204,135	2,081,174	520,294
West Warwick	20,265,989	22,749,356	2,483,366	620,842
Woonsocket	47,972,469	55,101,362	7,128,893	1,782,223
Bristol-Warren	16,455,588	12,984,305	(3,471,283)	(495,898)
Chariho	268,242	-	(268,242)	(38,320)
Exeter-West Greenwich	5,858,269	4,341,477	(1,516,792)	(216,685)
Foster-Glocester	5,001,610	4,795,911	(205,699)	(29,386)
Central Falls	38,399,591	29,009,539	(9,390,052)	(1,341,436)
Total	\$ 690,342,874	\$ 778,974,579	\$ 88,631,705	\$ 24,410,466
<i>Adjusted Chariho</i>	12,826,208	11,992,042	(834,166)	(74,793)

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Beacon</i>	<i>Blackstone Academy</i>	<i>Compass</i>	<i>Engineering Early College</i>
Barrington	-	-	-	-	-
Burrillville	-	16	-	-	-
Charlestown	-	-	-	60	-
Coventry	-	1	-	2	-
Cranston	43	6	-	-	-
Cumberland	-	34	-	-	-
East Greenwich	-	1	-	2	-
East Providence	-	3	-	-	-
Foster	-	-	-	1	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	1	-
Johnston	-	2	-	-	-
Lincoln	-	7	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	1	-	-	-
Narragansett	-	-	-	11	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	40	-
North Providence	10	8	-	-	-
North Smithfield	-	18	-	-	-
Pawtucket	-	10	91	-	-
Portsmouth	-	-	-	-	-
Providence	385	21	-	4	100
Richmond	-	-	-	3	-
Scituate	-	1	-	-	-
Smithfield	-	3	-	-	-
South Kingstown	-	-	-	38	-
Tiverton	-	-	-	-	-
Warwick	2	7	-	3	-
Westerly	-	-	-	23	-
West Warwick	-	-	-	-	-
Woonsocket	-	66	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	-	12	-
Foster-Gloucester	-	-	-	-	-
Central Falls	-	20	74	-	-
Total	440	225	165	200	100

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Greene School</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>
Barrington	-	1	-	-	-	-
Burrillville	-	-	-	-	-	-
Charlestown	6	-	-	-	36	-
Coventry	62	-	-	1	-	-
Cranston	5	48	-	18	1	1
Cumberland	-	1	-	5	-	-
East Greenwich	2	-	-	-	-	-
East Providence	2	4	-	19	-	1
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	4	-	-	-	-	-
Jamestown	3	-	-	-	-	-
Johnston	2	8	-	1	-	-
Lincoln	-	2	-	6	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	5	-	-	2	9	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	5	3	-	-	39	-
North Providence	-	4	10	10	1	-
North Smithfield	-	1	-	-	-	-
Pawtucket	4	30	-	123	-	115
Portsmouth	-	-	-	-	-	-
Providence	31	279	70	103	-	105
Richmond	4	-	-	-	-	-
Scituate	-	-	-	1	-	-
Smithfield	1	-	-	-	-	-
South Kingstown	12	-	-	-	65	-
Tiverton	-	-	-	-	-	-
Warwick	11	-	-	1	4	1
Westerly	12	-	-	-	10	-
West Warwick	6	2	-	2	2	-
Woonsocket	-	-	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	13	-	-	-	13	-
Foster-Glocester	2	-	-	-	-	-
Central Falls	8	9	-	32	-	335
Total	200	392	80	324	180	558

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

Sending District	New England Laborers	Nowell Academy	Nurses Institute	Paul Cuffee	Mayoral Academies	
					Blackstone Valley	Segue Institute
Barrington	-	-	2	-	-	-
Burrillville	-	-	1	-	-	-
Charlestown	-	-	1	-	-	-
Coventry	5	-	2	-	-	-
Cranston	90	10	15	-	1	-
Cumberland	4	-	6	-	345	-
East Greenwich	-	-	1	-	-	-
East Providence	-	8	8	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	19	-	4	-	-	-
Lincoln	-	-	6	-	147	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	2	-	4	-	-	-
North Smithfield	-	-	1	-	-	-
Pawtucket	9	29	57	-	375	-
Portsmouth	-	-	-	-	-	-
Providence	10	60	119	774	1	-
Richmond	-	-	-	-	-	-
Scituate	8	-	-	-	-	-
Smithfield	1	-	2	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	18	2	9	-	2	-
Westerly	-	-	-	-	-	-
West Warwick	5	-	1	-	-	-
Woonsocket	-	23	2	-	-	-
Bristol-Warren	-	-	3	-	-	-
Exeter-West Greenwich	1	-	-	-	-	-
Foster-Glocester	1	-	-	-	-	-
Central Falls	-	28	28	-	329	237
Total	173	160	272	774	1,200	237

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Southside Elementary</i>	<i>Textron</i>	<i>Times2</i>	<i>Trinity</i>	<i>Village Green</i>
Barrington	-	-	-	-	-
Burrillville	-	-	-	-	-
Charlestown	-	-	-	-	1
Coventry	-	-	-	-	6
Cranston	-	-	-	-	3
Cumberland	-	-	-	-	6
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	12
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	9
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	-	-	-	-	6
North Smithfield	-	-	-	-	-
Pawtucket	-	-	-	-	23
Portsmouth	-	-	-	-	-
Providence	24	225	647	170	96
Richmond	-	-	-	-	1
Scituate	-	-	-	-	3
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	-	-	-	-	9
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	3
Woonsocket	-	-	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	-	-	-	-	26
Total	24	225	647	170	204

Table 6: FY 2015 Estimated Charter & State School Enrollment by Sending District

Sending District	Davies Career & Tech Center	Metropolitan Career & Tech Center	Urban Collaborative	Total	Charter/State School	
					Percentage of Total Enrollment	June 2013 Student Count
Barrington	-	3	-	6	0.2%	3,267
Burrillville	-	8	-	25	1.0%	2,435
Charlestown	-	6	-	110	10.6%	1,034
Coventry	-	4	-	83	1.7%	4,885
Cranston	2	25	12	280	2.7%	10,262
Cumberland	4	13	-	418	8.5%	4,912
East Greenwich	-	3	-	9	0.4%	2,336
East Providence	-	26	-	83	1.5%	5,424
Foster	-	-	-	1	0.4%	281
Glocester	-	-	-	-	0.0%	526
Hopkinton	-	-	-	4	0.3%	1,220
Jamestown	-	6	-	10	1.5%	664
Johnston	1	17	-	63	2.0%	3,074
Lincoln	48	5	-	221	6.6%	3,324
Little Compton	-	2	-	2	0.5%	406
Middletown	-	23	-	24	1.0%	2,421
Narragansett	-	3	-	30	2.1%	1,453
Newport	-	42	-	42	2.0%	2,087
New Shoreham	-	-	-	-	0.0%	111
North Kingstown	-	8	-	95	2.4%	3,936
North Providence	79	11	1	146	4.2%	3,482
North Smithfield	1	-	-	21	1.2%	1,791
Pawtucket	494	41	-	1,401	14.2%	9,896
Portsmouth	-	13	-	13	0.5%	2,461
Providence	67	457	120	3,868	15.0%	25,838
Richmond	-	2	-	10	0.9%	1,175
Scituate	-	2	-	15	1.0%	1,490
Smithfield	12	5	-	24	1.0%	2,352
South Kingstown	-	14	-	129	3.7%	3,490
Tiverton	-	17	-	17	0.9%	1,866
Warwick	-	17	-	86	0.9%	9,333
Westerly	-	-	-	45	1.4%	3,158
West Warwick	-	9	-	30	0.9%	3,395
Woonsocket	2	39	-	132	2.3%	5,738
Bristol-Warren	-	28	-	31	0.9%	3,456
Exeter-West Greenwich	-	2	-	41	2.4%	1,718
Foster-Glocester	-	-	-	3	0.3%	1,180
Central Falls	165	24	12	1,327	34.9%	3,805
Total	875	875	145	8,845	6.3%	139,682

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Beacon</i>	<i>Blackstone Academy</i>	<i>Compass</i>	<i>Engineering Early College</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	88,422	-	-	-
Charlestown	-	-	-	107,525	-
Coventry	-	4,327	-	8,655	-
Cranston	244,492	33,118	-	-	-
Cumberland	-	142,232	-	-	-
East Greenwich	-	1,137	-	2,729	-
East Providence	-	15,309	-	-	-
Foster	-	-	-	5,075	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	773	-
Johnston	-	11,144	-	-	-
Lincoln	-	26,249	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	2,951	-	-	-
Narragansett	-	-	-	18,620	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	100,893	-
North Providence	60,387	50,323	-	-	-
North Smithfield	-	63,157	-	-	-
Pawtucket	-	98,631	907,106	-	-
Portsmouth	-	-	-	-	-
Providence	4,096,604	213,118	-	31,573	1,067,169
Richmond	-	-	-	11,913	-
Scituate	-	2,914	-	-	-
Smithfield	-	5,857	-	-	-
South Kingstown	-	-	-	65,019	-
Tiverton	-	-	-	-	-
Warwick	7,410	25,936	-	11,115	-
Westerly	-	-	-	65,380	-
West Warwick	-	-	-	-	-
Woonsocket	-	624,848	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	-	30,166	-
Foster-Glocester	-	-	-	-	-
Central Falls	-	225,835	858,858	-	-
Total	\$ 4,408,893	\$ 1,635,508	\$ 1,765,964	\$ 459,436	\$ 1,067,169

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Greene School</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>
Barrington	\$ -	\$ 2,667	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	10,080	-	-	-	64,515	-
Coventry	287,339	-	-	4,327	-	-
Cranston	26,300	272,740	-	103,251	4,870	4,870
Cumberland	-	5,296	-	21,940	-	-
East Greenwich	2,274	-	-	-	-	-
East Providence	10,206	28,576	-	117,367	-	5,103
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	19,387	-	-	-	-	-
Jamestown	2,630	-	-	-	-	-
Johnston	11,144	50,147	-	4,643	-	-
Lincoln	-	9,932	-	22,702	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	8,464	-	-	4,740	17,943	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	12,244	9,306	-	-	97,465	-
North Providence	-	22,142	60,387	62,400	5,032	-
North Smithfield	-	3,222	-	-	-	-
Pawtucket	38,855	286,926	-	1,161,155	-	1,173,110
Portsmouth	-	-	-	-	-	-
Providence	314,152	2,944,187	748,281	958,242	-	1,128,737
Richmond	15,417	-	-	-	-	-
Scituate	-	-	-	2,914	-	-
Smithfield	1,952	-	-	-	-	-
South Kingstown	21,231	-	-	-	123,072	-
Tiverton	-	-	-	-	-	-
Warwick	40,757	-	-	3,705	14,821	3,705
Westerly	30,888	-	-	-	30,888	-
West Warwick	35,990	15,746	-	11,247	11,247	-
Woonsocket	-	-	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	32,599	-	-	-	37,464	-
Foster-Glocester	7,475	-	-	-	-	-
Central Falls	92,387	107,785	-	366,127	-	3,899,076
Total	\$ 1,021,771	\$ 3,758,672	\$ 808,668	\$ 2,844,760	\$ 407,317	\$ 6,214,601

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

Sending District	New England Laborers	Nowell Academy	Nurses Institute	Paul Cuffee	RI Mayoral Academies		
					Blackstone Valley	Segue Institute	
Barrington	\$ -	\$ -	\$ 4,572	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	6,728	-	-	-	-
Charlestown	-	-	1,680	-	-	-	-
Coventry	28,561	-	10,386	-	-	-	-
Cranston	570,805	56,496	92,537	-	4,870	-	-
Cumberland	15,131	-	31,775	-	1,492,677	-	-
East Greenwich	-	-	1,137	-	-	-	-
East Providence	-	48,988	51,029	-	-	-	-
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	99,365	-	22,288	-	-	-	-
Lincoln	-	-	25,540	-	583,871	-	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-	-
North Providence	14,090	-	24,155	-	-	-	-
North Smithfield	-	-	3,222	-	-	-	-
Pawtucket	88,170	285,432	572,358	-	3,611,985	-	-
Portsmouth	-	-	-	-	-	-	-
Providence	107,348	640,933	1,270,815	8,038,499	7,893	-	-
Richmond	-	-	-	-	-	-	-
Scituate	27,979	-	-	-	-	-	-
Smithfield	1,952	-	5,466	-	-	-	-
South Kingstown	-	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-	-
Warwick	78,549	8,892	42,239	-	7,410	-	-
Westerly	-	-	-	-	-	-	-
West Warwick	34,866	-	3,604	-	-	-	-
Woonsocket	-	230,922	21,130	-	-	-	-
Bristol-Warren	-	-	12,510	-	-	-	-
Exeter-West Greenwich	2,433	-	-	-	-	-	-
Foster-Glocester	3,737	-	-	-	-	-	-
Central Falls	-	325,066	311,379	-	3,793,002	2,739,105	
Total	\$ 1,072,986	\$ 1,596,729	\$ 2,514,550	\$ 8,038,499	\$ 9,501,708	\$ 2,739,105	

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Southside Elementary</i>	<i>Textron</i>	<i>Times2</i>	<i>Trinity</i>	<i>Village Green</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-
Charlestown	-	-	-	-	1,680
Coventry	-	-	-	-	27,695
Cranston	-	-	-	-	16,559
Cumberland	-	-	-	-	24,210
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	73,482
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	47,361
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	-	-	-	-	32,207
North Smithfield	-	-	-	-	-
Pawtucket	-	-	-	-	225,656
Portsmouth	-	-	-	-	-
Providence	255,742	2,442,176	6,789,785	1,828,080	1,029,282
Richmond	-	-	-	-	3,504
Scituate	-	-	-	-	8,743
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	-	-	-	-	37,792
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	19,120
Woonsocket	-	-	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	-	-	-	-	301,113
Total	\$ 255,742	\$ 2,442,176	\$ 6,789,785	\$ 1,828,080	\$ 1,848,404

Table 7: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Davies Career and Technical Center</i>	<i>Metropolitan Career and Technical Center</i>	<i>Urban Collaborative</i>	<i>Total</i>
Barrington	\$ -	\$ 6,478	\$ -	\$ 13,717
Burrillville	-	40,366	-	135,516
Charlestown	-	10,753	-	196,233
Coventry	-	20,771	-	392,061
Cranston	11,689	160,722	81,822	1,685,141
Cumberland	19,670	65,820	-	1,818,751
East Greenwich	-	3,866	-	11,143
East Providence	-	161,252	-	511,312
Foster	-	-	-	5,075
Glocester	-	-	-	-
Hopkinton	-	-	-	19,387
Jamestown	-	4,641	-	8,044
Johnston	6,501	86,364	-	338,957
Lincoln	211,414	17,736	-	897,444
Little Compton	-	2,460	-	2,460
Middletown	-	80,849	-	83,800
Narragansett	-	5,078	-	54,845
Newport	-	219,592	-	219,592
New Shoreham	-	-	-	-
North Kingstown	-	23,509	-	243,417
North Providence	468,002	73,471	7,045	879,641
North Smithfield	3,222	-	-	72,823
Pawtucket	4,707,386	404,985	-	13,561,755
Portsmouth	-	14,032	-	14,032
Providence	702,500	4,829,098	1,326,068	40,770,282
Richmond	-	7,008	-	37,842
Scituate	-	5,829	-	48,379
Smithfield	25,770	10,542	-	51,539
South Kingstown	-	24,548	-	233,870
Tiverton	-	60,130	-	60,130
Warwick	-	76,326	-	358,657
Westerly	-	-	-	127,156
West Warwick	-	68,607	-	200,427
Woonsocket	18,112	378,833	-	1,273,845
Bristol-Warren	-	102,710	-	115,220
Exeter-West Greenwich	-	5,839	-	108,501
Foster-Glocester	-	-	-	11,212
Central Falls	1,876,826	273,739	143,713	15,314,011
Total	\$ 8,051,092	\$ 7,245,954	\$ 1,558,648	\$ 79,876,217

Table 8: Recommended Categorical Aid

<i>Sending District</i>	<i>High Cost Special Education</i>	<i>Transportation</i>	<i>Total</i>
Barrington	\$ 41,640	\$ 54,080	\$ 95,720
Burrillville	9,805	15,863	25,668
Charlestown	-	-	-
Coventry	35,832	20,271	56,103
Cranston	145,164	392,751	537,915
Cumberland	49,748	92,043	141,791
East Greenwich	43,270	32,442	75,712
East Providence	121,969	10,055	132,024
Foster	6,445	8,261	14,706
Glocester	9,975	13,591	23,566
Hopkinton	-	-	-
Jamestown	7,150	-	7,150
Johnston	27,076	262,535	289,611
Lincoln	61,873	6,395	68,268
Little Compton	-	-	-
Middletown	14,206	-	14,206
Narragansett	6,805	-	6,805
Newport	-	-	-
New Shoreham	8,795	-	8,795
North Kingstown	11,776	-	11,776
North Providence	63,703	127,118	190,821
North Smithfield	11,538	23,212	34,750
Pawtucket	46,535	86,439	132,974
Portsmouth	31,278	-	31,278
Providence	327,522	224,871	552,393
Richmond	-	-	-
Scituate	5,478	41,240	46,718
Smithfield	25,730	56,820	82,550
South Kingstown	24,518	110,627	135,145
Tiverton	27,501	-	27,501
Warwick	98,084	7,525	105,609
Westerly	84,105	-	84,105
West Warwick	4,224	49,384	53,608
Woonsocket	964	21,864	22,828
Bristol-Warren	54,406	634,659	689,065
Chariho	22,486	1,064,037	1,086,523
Exeter-West Greenwich	39,325	694,294	733,619
Foster-Glocester	16,521	240,810	257,331
Central Falls	14,248	60,173	74,421
Subtotal	\$ 1,500,000	\$ 4,351,360	\$ 5,851,360
Charters & State Schools	-	-	-
Total	\$ 1,500,000	\$ 4,351,360	\$ 5,851,360

Table 9: Education Aid for FY 2009 – FY 2013

<i>District</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
Barrington	\$ 1,907,570	\$ 1,800,191	\$ 1,777,692	\$ 2,374,854	\$ 3,350,904
Burrillville	13,789,047	13,169,342	13,049,312	13,008,772	12,965,501
Charlestown	1,824,817	1,725,632	1,708,264	1,704,449	1,694,669
Coventry	19,167,853	18,278,654	18,106,570	18,670,838	19,707,074
Cranston	34,241,412	32,032,775	31,729,746	34,148,058	39,188,868
Cumberland	12,749,195	11,966,879	11,853,639	12,663,079	13,834,760
East Greenwich	1,457,699	1,450,763	1,327,711	1,507,198	1,955,236
East Providence	26,404,603	24,881,232	24,531,957	25,375,608	26,993,305
Foster	1,372,428	1,305,135	1,293,021	1,242,314	1,214,327
Glocester	3,150,714	2,973,405	2,946,000	2,862,833	2,792,685
Hopkinton	5,758,687	5,749,276	5,695,888	5,726,195	5,615,973
Jamestown	445,251	391,353	386,846	369,267	363,461
Johnston	10,412,388	9,701,822	9,609,655	10,131,916	11,083,498
Lincoln	6,762,647	6,384,476	6,320,677	6,999,556	8,156,329
Little Compton	324,893	291,845	288,570	313,858	338,666
Middletown	10,102,194	9,653,308	9,562,746	9,407,808	9,288,241
Narragansett	1,601,846	1,440,139	1,423,684	1,488,608	1,663,260
Newport	11,718,446	10,912,686	10,812,053	10,701,213	10,661,062
New Shoreham	40,148	57,149	56,081	61,851	72,292
North Kingstown	11,342,544	10,735,891	10,633,129	10,674,839	10,758,204
North Providence	12,949,606	12,222,938	12,107,544	12,751,556	14,139,108
North Smithfield	4,542,906	4,384,693	4,342,683	4,630,725	5,133,980
Pawtucket	67,589,810	63,316,158	62,743,324	64,600,780	68,246,641
Portsmouth	6,235,178	6,026,090	5,968,097	5,762,149	5,380,832
Providence	198,173,499	181,619,378	179,813,040	185,804,948	197,968,379
Richmond	5,711,973	5,722,291	5,669,397	5,648,866	5,474,556
Scituate	3,136,637	2,942,545	2,913,522	3,155,942	3,514,829
Smithfield	5,265,557	5,023,550	4,899,277	4,966,920	4,982,755
South Kingstown	9,759,935	9,289,273	9,198,692	8,832,470	8,511,975
Tiverton	5,620,900	5,326,062	5,275,223	5,329,648	5,677,809
Warwick	35,667,487	33,816,257	33,493,714	33,796,578	34,449,461
Westerly	6,132,170	5,780,009	5,721,304	5,982,372	6,572,162
West Warwick	20,065,546	19,030,395	18,855,252	19,143,704	19,775,027
Woonsocket	47,937,431	44,881,514	44,356,033	45,012,523	46,744,955
Bristol-Warren	19,987,011	19,071,142	18,896,443	18,625,047	17,832,369
Exeter-West Greenwich	7,159,892	6,894,092	6,708,949	642,082	898,449
Chariho	892,154	387,074	383,667	6,818,348	6,705,948
Foster-Glocester	5,522,536	5,268,913	5,219,945	5,372,978	5,289,023
Central Falls	44,524,530	43,255,325	42,865,644	41,145,437	39,744,688
Met School Operations	11,830,303	12,508,767	13,025,640	12,236,284	11,648,256
Total	\$ 693,279,442	\$ 651,668,420	\$ 645,570,630	\$ 659,692,471	\$ 690,389,517